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Heads Bar Association

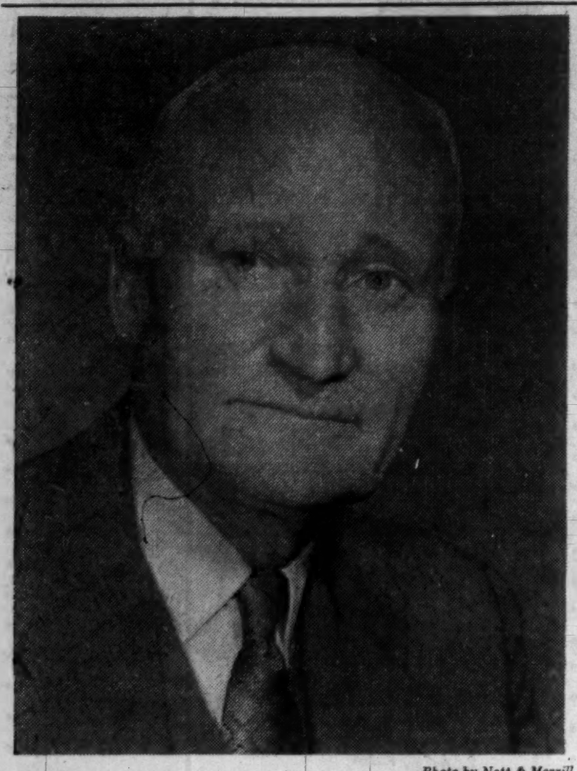

Photo by Nott & Merrill.

Brigadier General John Arthur Clark, K.C., Vancouver, takes over leadership of the 4,500-member Canadian Bar Association, among their chief aims being the promotion of uniformity of legislation throughout Canada consistent with the basic systems of provincial law, and encouragement of a high standard of legal education, training and ethics. (Personality sketch P. 6)

THE NATION'S BUSINESS

How Much—How Fast In NATO Defense?

It is already clear that the North Atlantic Treaty Organization discussions in Ottawa this week, probe at the very core of the difficulties now facing the democratic powers in their efforts to re-arm and to provide a speedy defense bulwark in Europe.

From the U. S. and the American commander in Europe, comes the call for more arms and more hurry. From the U. K. and other European Nations comes the warning that to attempt too much too quickly is to run the risk of losing all, by economic collapse.

Canada, not for the first time, stands somewhere in the middle.

We are not so wealthy as our neighbor to the south. Nor are we so careless of the dangers of inflationary spending. At the same time, our relative prosperity (against European standards) makes us a ready target for assuming a larger load.

Probably no one will quite know just where lies the correct answer to this delicate and dangerous "burden-sharing" exercise. If war breaks out at any time within the next 16 or 18 months, any immediate effort we could or did make would be too small. On the contrary, if our slowly rising strength has already removed the danger of immediate attack, then we will have been wise to avoid the dangers of Stalin's potent ally; inflation.

For Canada, as for all democratic nations, these decisions will require much heart-searching and considerable political finesse. In our case—let's admit it frankly—our potential fiscal contribution to defense has been reduced by reason of the Government's decision to embark on a vast new social security program as of Jan. 1. We are almost certain to argue that our tax and burden-sharing ability must be geared to "what the traffic will bear" after absorbing $250 million of new taxes for this purpose next year.

Should we be embarrassed by this?

No one yet knows the answer, because every country (the U. S. not excluded) is tempering its over-all program to larger political considerations, no single country is blameless in this regard.

It's clear that 1952, however, will be a year for greater sacrifice for all of us.

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Do We Plan Big Enough?

In their business and investment planning, do Canadians generally think far enough ahead?

In this connection, O. J. Firestone, economic adviser to the Department of Trade and Commerce, made some good comment in a Toronto address this week.

He commented that in his seven years as one of the men at C. D. Howe's elbow he has been impressed with "how consistently even some of the shrewdest and most successful businessmen have underestimated the growth of the Canadian market and accordingly have fallen down in their planning for the future. For when they needed it their capital facilities were inadequate to cope with the flood of orders coming in."

Naturally, in shorter- and in longer-term business planning, businessmen think in terms of "how long does the boom last?" This generation in particular, is prone to dire memories of the debacle of the 'thirties.

Certainly no one, least of all Firestone, would say that business cycles of some kind have or will be abolished. He suggests:

> "Why can you not plan your expansion on a basis of using on an average, say, 80% to 90% of capacity over the long run, say a decade? In this decade there will be times when you will be using your capacity at close to 100%. There will be other times when you may be using only as little as 50% or 60% of capacity. The latter level may not be reached in the next decade. But even if you face such a situation for a year or two, you may still find that the average use of your capacity over the decade as a whole may be of the order of 80% to 90%. And if your business planning is adjusted to such a level of operations you will probably agree that over a long period this is pretty good."

This is worth thinking about by businessmen at every level. President Turner of Canadian Electric was urging the same point when he recently forecast continued rapid growth for the Canadian economy and said: If this be the promise, "industry must plan and act decisively now if Canada is to achieve fully her destiny as one of the great nations of the world."

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Let's Face Facts in Education

For the past four years a special committee composed of representatives of educational, business, agricultural and labor groups, has been making a study of secondary education in Canada. The main purpose was to consider what constitutes a suitable training for students who go directly into employment from high school.

The importance of that field can be judged by the fact that the great bulk of Canadian youth never go beyond high school in their formal education, and only about one third of those who start high school ever complete the full course.

Though there have been some recent changes, on the whole our high school education seems to be based on the wrong assumption that all students can, will and should go on to university. Emphasis has been placed on those special subjects which are compulsory for university entrance. There has been far too little attempt to give the much greater number of students who will never go beyond high school an education suited to their special needs.

To correct this grave weakness and injustice, members of the committee make several specific recommendations (see page 12). It's to be hoped that these get the widest and most serious consideration. Of equal or even greater importance is their emphasis on closer and better relations between the schools and universities and the business life of the community. Each could benefit greatly by knowing a very great deal more about the other.

Labor Troubles Ahead In Defense Industries

Fights in and Between Unions Will Have Their Repercussions in Aircraft, Chemicals and Shipbuildings Fields—Here's How They Stack Up

By RONALD WILLIAMS

VANCOUVER (Staff) — Three of Canada's key defense industries —aircraft, chemicals and shipbuilding — appear to be in for the worst kind of union trouble—the jurisdictional dispute. A fourth — textiles — may also be caught in the squeeze of inter- or intra-union squabbles.

The battle lines were drawn mainly behind closed doors this week at the CIO-CCL convention in Vancouver and the AFL-TLC meeting in Halifax last week.

The stakes are big: control of perhaps 100,000 employees in the fast-growing defense industries. It's a problem that didn't arise before the last war. Most of today's big unions were just getting started and didn't have time to do anything but look after their own knitting. Now they're looking for new fields to conquer. Defense industries look like the answer.

There may not be strikes. But management, caught in the middle of two or three scrapping unions, will probably have some uneasy times.

Where Fights Shape Up

In the aircraft industry it shapes up as a straight fight between the AFL-TLC and the CIO-CCL. The prize: control of perhaps 50,000 who will eventually be employed when current expansion is completed.

In shipbuilding: control of perhaps 30,000. The AFL is involved here too, but in a limited way. The big fight is a messy squabble within the CCL over whether the big ambitious CIO Steel Workers shall have control. This affair was also hammered out behind closed doors, and still has to be settled.

In Halifax, the coming struggle for union power is believed to have been one of the major reasons why the TLC decided to have no more "unity" with the rest of Canadian labor, but particularly the CIO-CCL. No one talked about it, but the AFL-TLC brass laid it on the line behind caucus doors: "The CIO-CCL talks unity but is raiding us blind."

The Aircraft Industry

What they had in mind was the pending invasion of the industry by the CIO Auto Workers. With 60,000 members and ambitious for bigger and better things, the UAW was quick to see the golden opportunities in a vastly expanded aircraft industry. They launched their organizing campaign a few weeks ago in the two main centres — Toronto and Montreal.

In both, they ran smack into the International Association of Machinists, now back in the AFL after a lengthy absence. The invasions would be resisted strongly under any circumstances. But because it involves the TLC's top official personally, the resistance will likely be that much greater: The IAM is TLC President Bengough's own union. Before he became president he was an IAM official in Vancouver.

In Toronto, the main industrial target is the rapidly expanding A. V. Roe (Canada). IAM is believed to have about 3,000 members out of about 6,000. UAW thinks it can squeeze IAM out and grab off perhaps another 10,000 expected to be employed when Avro's expansion is complete.

In Montreal, it's Canadair the UAW is after. There the task is believed to be easier. There are eight unions instead of one as at Avro. UAW thinks cracking Canadair won't be too difficult.

But easy or tough, there's bound to be trouble, with the company caught in the middle.

Steel and Shipyards

In the shipyards, the issues are not so clear. Most unions belong to the CCL already. On the East and West coasts, they are run by Communists. In Ontario, there

(Continued on page 3, col. 1)

Ottawa Ready to Announce Its Seaway-Power Project?

WASHINGTON (Staff)—There is every confidence here and in Ottawa, that within the next two weeks the way will be cleared for development of an all-Canadian St. Lawrence seaway and a joint New York-Ontario power scheme.

The key to this program would be an executive order from President Truman permitting state development of St. Lawrence power and for a direction to the International Joint Commission to expedite hearings for approval of the whole program.

Still to be taken, is the final step of a personal request by Canada to Mr. Truman. But there appears to be every confidence here that when the final and formal approach is made shortly, the reply will be wholly favorable.

Thus by the time the Canadian Parliament meets on October 9, the Canadian people may have before them the most concrete proposition for development of the seaway ever to materialize in more than 30 years of long and contentious discussion.

Pending a final approach to Washington, Canada is busy concluding negotiations with both Ontario and Quebec on the technical and financial aspects of joint power development in the respective provinces. Negotiations with Ontario are already far advanced, if not completed.

Cost of the power development to be borne by Ontario would be approximately $200 millions. Presumably a like amount would be paid by New York State. The cost to Quebec province for development of 1.2 million hp of electric energy in the Lachine Canal section would also be about $200 millions.

This would leave a residual cost to the Federal Government for a complete Welland-Montreal 27-ft. seaway project of between $200 millions and $250 millions.

In addition, the United States would be called on eventually to spend $80 millions to $90 millions to deepen its own channels in the upper lakes if it wanted to take advantage of the enlarged channel throughout the entire system.

The Starting Point

The starting point in this rapid and highly favorable turn of events, is the decision of the Canadian Government itself (not, as yet, officially announced) to go ahead with an all-Canada seaway route if White House approval could be forthcoming.

Following rejection of the 1941 treaty plan for joint development

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PRICES

Hide prices have been strengthening sharply during the last few days and are now back close to U. S. ceiling levels. After touching record levels this spring, prices eased anywhere from 15%-25% by August; have been strengthening up since that time. U. S. buying here is helping keep Canadian markets in close line with U. S.

Hog prices fell rather sharply in the last week from $36.50 a cwt. to $29. Although seasonal, this is a sharper-than-usual price tumble and is attributed to the belief that domestic prices are finally coming more in line with world hog prices. This summer domestic hogs were selling at considerably higher than world markets but now that there is a larger than domestic supply coming to market prices have flattened out.

Wool values are back to opening of 1950 season with markets still unsettled. During recent severe decline actual business in wool has been at a virtual standstill. Current London sales have opened weaker than previous closing. Harassed wool officials are asking where it will all end.

Telephone rates may move up again in British Columbia. B. C. Telephone Co. has asked Board of Transport Commissioners for permission to raise telephone rental charges by a maximum of 15c a month. The increase, a 4% boost would be in addition to a 10% interim increase granted July 7. If approved, a Vancouver two-party residence phone bill would jump from $3.75 to $3.90, an individual business subscriber from $11.25 to $11.70.

Nails have been boosted 40c a keg (100 lb.) reflecting increase in steel wire at the mills.

Quicksilver has been boosted $10 a flask to $205 (a flask of 76 lb.)

Non-Subsidy Mines May Get Gold Benefit

OTTAWA (Staff) — Executive directors of the International Monetary Fund started discussions on a new gold policy this week in Washington but no decision is expected for at least another week. End result of these talks is expected to be a stalemate so far as any new "control" over sales policies of individual members.

If this happens, it would be up to each company to use its own judgment as to what it wants to do about sales of gold outside the official $35 channels.

This would mean a victory "in principle" for Canada's demand that all members have the same right respecting sales on the free market. But whether Canada would take advantage of the new situation would still have to be decided as a matter of government policy.

General belief here and in Washington is that if sales of gold for so-called industrial purposes become general, the present premium would largely disappear. Thus the position of Canadian producers who now receive a government subsidy might be less satisfactory than now, unless a subsidy were to be continued in some form.

Companies who would stand to gain under a new freer gold-sale policy would probably be Canadian firms who produced gold but do not presently qualify for assistance. As the Act now stands, only "primary" gold mines get a subsidy. A primary mine is defined as one whose value of gold output in any designated year is 70% or more of the total value of production.

Criticism on Use of Funds May Open IMF Strongbox

WASHINGTON (Staff)— Some of the $7 billion of assets of the International Monetary Fund will definitely come out of cold storage as a result of the governors' meeting here last week.

That is the opinion expressed to The Financial Post by authorities who listened to the public and backstage criticisms on use of the IMF resources.

"Don't expect anything spectacular. But you can definitely expect a new approach. This was the most useful meeting of any that has been held since Bretton Woods. It brought criticisms into the open—and in the very place where it will do the most good—Washington. We had a very full and frank review of our problems and difficulties and it is certain to do good. It was especially valuable to have the discussion in front of our new managing director, Ivar Rooth."

Chief public criticism of last week's meetings was voiced at the final public session by a number of Latin-American governors. These included Governor Carlos Novoa of Mexico, who chided fellow governors on their "conspiracy of silence." Presumably he was referring to the failure to put gold on the public agenda.

And Banter Too

Governor Novoa likened the IMF dilemma over use of its funds, to the beautiful damsel who appeared on a public beach in a two-piece bathing suit. When told by the policeman that two-piece suits weren't allowed, she asked: "Which piece do you want me to take off."

Another good bit of banter was the comment of British Chancellor of the Exchequer Hugh Gaitskill, apropos the skilful chairmanship of the meetings by Canada's Douglas Abbott. He said Mr. Abbott's handling of Fund discussion, appeared to the U. K. team as something very much like "A Canadian Pacific Railroad."

U. S. Secretary of the Treasury John Snyder made a final and official answer to IMF criticism, by calling on the governors to have more of their discussions in public next year. He also recalled that before Congress approved the IMF charter, it required a precise definition of the Fund articles respecting use of its resources. This was to the effect that use of the Fund's resources "is limited to temporary assistance in financing balance of payments

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New Metals Pinch Seen for Early '52

U. S. Military Picture Raises Possibility Canada May Ration Supplies to Some Consumer-Type Industries Or Cut Back On Expansion

By KENNETH R. WILSON

WASHINGTON (Staff)—Canada may expect a serious jolt when 1952 first and second quarter allocations of rationed critical metals are finalized.

Best information obtainable here is that a bad squeeze is coming in the first half of next year—and if the squeeze continues to fall on consumer-type goods, then Canada may herself have to ration these industries—rather than depend largely on taxes, and on bank and consumer credit controls.

Steadily mounting impact of defense spending in U. S. opens up three possibilities in the big 1952 squeeze-play:

1. Further curbs on civilian goods;
2. A cutback in industrial expansion;
3. A change in pace for military spending.

Today, in Washington the suggestion is heard increasingly that the time has come to put some restraints on the fiscal authority now given military authorities. It is argued that the sort of appropriations passed last week by the Senate ($60 billions for the fiscal year beginning July 1, 1951) are probably as unrealistic and extreme as the fractional amounts allocated two years ago when this country was in an economy wave.

Thus, economist Sumner H. Slichter said last week:

"Two years ago, the country went to an extreme in economizing on defense and was rudely shocked and alarmed when the outbreak of the war in Korea revealed the folly of cuts in defense spending.

"Today, the country is probably going to the opposite extreme. Everyone (or nearly everyone) is afraid to question the amounts that the armed services assert to be necessary for national security. Certainly the proposal that $65 billions or more be spent on defense and foreign aid in the fiscal year 1952-53, has never been satisfactorily explained.

"If goods can wait until the middle of 1952 or the beginning of 1953 to be produced, must they then be turned out at such a high rate?"

So far, this type of shrewd observation hasn't been reflected in political quarters. The Senate, for example, actually added a floating $5 billion item of its own, to the estimates, approved the phenomenal sum of $59.5 billions by a vote of 79 to 0.

Just A Blank Cheque

But these votes represent only as yet a blank cheque in the hands of military against future orders and deliveries. And what may yet happen is that public sentiment will decide that the period covered in the current military spending program can be extended slightly, so as to ease the otherwise critical demand on strategic metals now expected in the first quarter of 1952.

Otherwise, experts here predict, there will have to be substantial further cutbacks in consumer durables, with the axe falling on such lines as farm implements, freight cars, industrial expansion programs.

A moderate view suggests that despite these indications there is still a good sporting chance of keeping prices on a reasonably even keel—provided there are no new major developments such as war or a sudden swing in consumer psychology. In short, if consumers "behave normally" the rising tide of production may be adequate to offset "creeping" wage boosts that are likely to reach a peak next spring when the large proportion of U. S. labor contracts must be renewed.

The one other important impression now general in Washington is that we are in for an early further and substantial dose of inflation.

Canada is, of course, most immediately and directly concerned.

The most telling points made here are these:

1. Most of the big U. S. pressure

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Inside News

Pulp, Paper's Future

Look for big changes ahead in Canada's $1,000 million pulp and paper industry. The Post's annual feature report on this largest Canadian industry gives the over-all story, reports on progress of individual companies. Timely now, valuable for future reference (pages 29-60)

Church Finances

With an annual 'take' of close to $150 millions Canada's churches might seem, collectively, like big business. Are they? The Post takes a searching look at the dollars and cents of religion in Canada. A fascinating report on a bulwark of society (p. 15).

Our World Influence

Has Canada's influence in world affairs kept pace with her reputation, growing strength and unfolding future? Representative Canadians give their views. The Question (p. 7).

The Older Worker

How can we keep those over-65s now compulsorily-retired but who would rather work on the job? A well-known U.S. economist outlines his plan (p. 9).

Inflation and Stocks

What to do investment-wise in this period of inflation? See the line followed by Compton's manager, Managed Investment (p. 5).

Oct. Vote in U. K.

Reports at midweek indicate that Prime Minister Attlee will call a general election in the United Kingdom for October 25. For a survey on the political outlook see London Calling at P. 28.

How Big Drought Hit B.C.: 'It's Been Awful'—Stores

VANCOUVER (Staff)—Retailers in the East who feel like weeping over business, can be thankful they weren't in British Columbia this summer: they'd have been sobbing all over the place.

Here, in addition to the general letdown caused by credit restrictions and earlier overbuying, there's been the great drought of 1951 to contend with.

For almost three months there was hardly a drop of rain and it played hob with business. Logging, fishing were hit hardest; berry crops and dairy products next.

The retailer quickly felt the pinch—is still feeling it, though the drought has now been broken. Said the advertising executive of one of the biggest stores: "Business has been lousy."

Said another: "If it's bad back east, its awful here."

A newspaper advertising salesman: "Our scheduled budget was higher for this month. You should see how far under we are."

Lumbering Losses

The biggest factor in the letdown, has been the loss in lumbering. Because of the danger of fire in the tinder-dry woods, 12,000 loggers have been idle on and off for nearly three months. That doesn't take long to deaden the ring in the province's retail cash registers.

Loggers went back to work a couple of weeks ago after a brief shower. But the drought set in again. It was 80 on Sunday. The operators voluntarily closed down. Before, they were stopped by government order. At midweek, the drought broken again, the forest restrictions were lifted again.

Total loss so far in this industry alone: about $50 millions. This week there was barely enough timber left to fill the big deep-sea ships waiting here to load for Britain, Hong Kong, South Africa. B.C.'s usually full lumber larder was almost empty.

On top of this, there's the problem of labor to be faced when things get back to normal. A large number of loggers, tired of waiting for rain, headed north to take construction jobs on the Alcan and other projects. Finding substitutes in this labor-short province today is going to be quite a chore.

Forest Fire Damage

Forest fires also cost several million dollars: raspberry and strawberry growers figure they lost $1 million. Dairy farmers fear a shortage of milk for canned and powdered production due to drying up of pasturage.

But perhaps the strangest effect of all occurred in the fishing industry. Most of the $50 million salmon harvest is already in. But for the drought it would have been perhaps 25,000 cases bigger. In dollars: about $600,000.

The only bright spot: Peat thrives on dry weather, this year the Fraser Valley peat industry expects to harvest a bumper $1.5 million crop.

We Get Squeeze on NATO Costs

Higher Taxes Are Issue in Ottawa Predicament

OTTAWA (Staff) — The critical and contentious NATO exercise of "sharing the burden" has caught the Canadian Government in the place where it hurts most —its soaring national income and budgetary surplus.

In short, Canada is being put on the spot to assume in 1952, more of the North Atlantic Treaty Organization rearmament costs than the Government feels it could or should.

It is conceded that Canada will be expected to assume a sharply higher defense obligation next year. That suggests higher taxes for us all. But our soaring national income and substantial "apparent" budget surplus for 1951-52, make it appear that our position is more favorable than the Government is prepared to concede.

Hence, in part, Finance Minister Abbott's careful exposition behind closed doors this week, that while these plans to distribute the cost are interesting (statistically) they are not something that can be used as rule-of-thumb. The real decision, Canada argues, is political and can only be reached by each government in light of all the circumstances.

Nothing final on this vital matter is likely to be decided at this week's discussions. But the ground is now being prepared for the fiscal and physical demands that will be the major determinant in Canadian fiscal and tax policy next April.

Non-Military Program

This is probably the most crucial item which NATO will have to decide before the Council next meets in Rome.

There are suggestions that it is the inability to reach agreement on this, here at Ottawa, that lies behind the eagerness of Canada and others to swing NATO interest over to the broader "non-military" program embodied in Article II of the NATO charter.

It is denied, however, that the unexpected interest in Article II is in any sense a deliberate "red herring."

It's contended that Korea and the inflationary forces it has unloosed, have brought into sharp relief the need for examination of the whole economic and social structure of the NATO association. Thus the attempt to plan a definite course of action in this field, alongside the continuing and more urgent question of military needs and requirements.

This particular job was turned over to a subcommittee of the smaller NATO powers this week. The most that can be expected at Ottawa is a start towards a blueprint along these lines.

Canada is very much interested in this because it was at Canada's instigation that Article II was initially put into the charter.

Who's to Produce, Pay?

But whatever work is done here this week on this point won't really cloud the importance of trying to reach some measure of agreement on the fundamentals of who is to produce, who is to pay and how much.

A small but critical example of the burden-sharing dilemma involves what is known as "infrastructure costs."

Infrastructure, as presently talked about by NATO experts, refers to the provision of airfields, communications, etc., in France, for air force training and

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Pace of Business

Department store sales 6% below last year in week ended Sept. 8, reflecting Labor Day holiday. Saskatchewan scored only gain, 7%.

Carloadings also down because of Labor Day. Week ended Sept. 8 6.4% below corresponding week last year.

Department store sales in August unchanged in dollar volume, compared with previous August, despite higher prices.

Newsprint production 3.9% higher in August than same month last year. Year-to-date, up 5.4%. Industry operating at 103.1% of capacity this August, against 101.5% previous August.

Average weekly wage in manufacturing $49.29 at July 1, against $44.16 a year earlier. Durable goods average, $53.21 ($37.23 last year).

Labor income, for first six months, 21% higher than last year.

Domestic exports in July up 48% over same month last year, in dollar value; for first seven months, 26% ahead of last year. July rise due mostly to volume—volume about 30% higher than most earlier peak months in postwar periods. (About 13% increase in export prices since July last year).

Dollar sales of wholesalers up 7% in July over year earlier. Seven months cumulative figure up 16%.

Footwear wholesalers' sales up 48% in July, 28% in first seven months.

Value of building permits issued by municipalities down 11% in July, from year earlier.

Factory shipments of motor vehicles 25% below July, 1950, in July this year, in number vehicles. Drop mostly in passenger cars.

Pig iron production up 7.4% this June over last, in tons. **Steel ingot** production up 5.2%.

Christmas note: first estimate ever made fall turkey population shows 3,440,000 birds.

EATON'S

driving — Pigtex (Sheepskin), Capeskin (Sheepskin), Goatskin, Deerskin, Pigskin or leather-faced wool

street wear — Capeskin (Sheepskin), Pigtex (Sheepskin), Pigskin, Goatskin, Mocha, Buckskin, Chamois, Wool or Cotton

dress wear — Chamois, Kidskin, Mocha, Buckskin or Doeskin

your glove wardrobe

. . . its completeness is the mark of a well-dressed man! Make your Fall and Winter glove selection now from the renowned assortments at

EATON'S

NEW CENSUS RESULTS — 11

Growth of Suburban Areas Showing Up in '51 Totals

The second preliminary census report released by the Dominion Bureau of Statistics covers over 500 centres across the country, and brings to over 1,000 the total centres reported to date. This report is subject to later revision. Other statements will be issued as the material is collected.

The survey is not very broad yet, but a few expected features are beginning to emerge, such as the growth of suburban areas and of newly-important industrial and commercial centres.

Significant suburban growth shows up around Toronto in Oakville's 67.1% increase (4,115 to 6,878); near Montreal in Longueuil's 55.2% (7,087 to 10,998) and Pont-Viau's leap of 279.5% (1,342 to 5,093), and at Quebec City with Quebec West up 100.9% (3,619 to 7,272). The growth of government is reflected in what has happened to one of Ottawa's suburbs, Eastview. It has increased its numbers by 71.9% (7,966 to 13,690).

Industrial and commercial expansion has brought considerable growth to many cities and towns. Sarnia, Ont., is up 83.7% (18,734 to 34,420). In the Saguenay Valley of Quebec, Chicoutimi is 43.8% higher (16,040 to 23,058), and Jonquieres 56.6% (13,769 to 21,566). Rimouski, on the south side of the St. Lawrence, 200 miles below Quebec City, registers a 63.9% increase (7,009 to 11,489). Lethbridge, Alta., is up 561.1% (14,612 to 22,811), and Fredericton, N.B., shows a 57.7% growth (10,062 to 15,870).

Here is a summary of the preliminary report showing the changes in those centres reported in the D.B.S. bulletin which have a population over 5,000. There are no 1941 figures available for Newfoundland. The last census there was in 1945, and showed St. John's to have 44,603 persons. This year's count shows 52,003, or a 16.6% increase in the last six years. Corner Brook West was still part of Corner Brook proper in 1945.

	Population 1951	1941	% Chge.
NEWFOUNDLAND			
St. John's	52,003	*	
Corner Brook West	6,815	*	
PRINCE EDWARD ISLAND			
Charlottetown	15,689	14,821	+ 5.9
NOVA SCOTIA			
Sydney	31,207	28,305	+ 10.3
Dartmouth	14,687	10,847	+ 35.4
Glace Bay	25,493	25,147	+ 1.4
New Waterford	10,384	9,302	+ 11.6
North Sydney	7,302	6,836	+ 6.8
Stellarton	5,536	5,351	+ 3.5
Sydney Mines	8,376	8,198	+ 2.1
Truro	10,645	10,272	+ 3.6
NEW BRUNSWICK			
Fredericton	15,870	10,062	+ 57.7
Chatham	5,207	4,082	+ 27.6
QUEBEC			
Beauharnois	5,674	3,550	+ 59.8
Chicoutimi	23,058	16,040	+ 43.8
Drummondville	14,251	10,555	+ 35.0
Grand'Mere	10,995	8,608	+ 27.7
Joliette	15,977	12,749	+ 25.3
Levis	13,011	11,991	+ 8.5
Longueuil	10,998	7,087	+ 55.2
Magog	12,362	9,034	+ 36.8
St-Lambert	8,436	6,417	+ 31.5
Shawinigan Falls	26,744	20,325	+ 31.6
Sherbrooke	49,737	35,965	+ 38.3
Trois-Rivieres	45,708	42,007	+ 8.8
Asbestos	8,084	5,711	+ 41.5
Coaticook	6,319	4,414	+ 43.2
Iberville	5,163	3,454	+ 49.5
Jonquieres	21,566	13,769	+ 56.6
La Tuque	9,468	7,919	+ 19.6
Lauzon	9,534	7,877	+ 21.0
Pont-Viau	5,093	1,342	+279.5
Quebec-Ouest	7,272	3,619	+100.9
Rimouski	11,489	7,009	+ 63.9
Ste-Agathe-des-Monts	5,138	3,308	+ 55.3
St-Joseph (Drummond)	6,555	5,556	+ 18.0
Shawinigan-South	6,610	2,282	+189.7
ONTARIO			
Belleville	19,394	15,710	+ 23.5
Brantford	36,555	31,948	+ 14.4
Galt	19,142	15,346	+ 24.8
Guelph	27,246	23,273	+ 17.1
Kingston	33,120	30,126	+ 9.9
Sarnia	34,420	18,734	+ 83.7
Woodstock	15,486	12,461	+ 24.3
Eastview	13,690	7,966	+ 71.9
Hawkesbury	7,143	6,263	+ 14.1
Kenora	8,548	7,745	+ 10.4
Oakville	6,878	4,115	+ 67.1
Pembroke	12,581	11,159	+ 12.7
Simcoe	7,197	6,037	+ 19.2
Wallaceburg	7,674	4,986	+ 53.9
MANITOBA			
Portage la Prairie	8,463	7,187	+ 17.8
St. Boniface	26,218	18,157	+ 44.4
Transcona	6,728	5,495	+ 22.4
SASKATCHEWAN			
Saskatoon	52,732	43,027	+ 22.6
ALBERTA			
Lethbridge	22,811	14,612	+ 56.1
Red Deer	7,553	2,924	+158.3
BRITISH COLUMBIA			
Kimberley	5,906	**	
Nanaimo	7,136	6,635	+ 7.6
New Westminster	28,390	21,967	+ 29.2
Victoria	50,774	44,068	+ 15.2

*Figures for 1941 not available.
**Not incorporated in 1941.

ADVERTISING

Account Appointments, Plans And News of Personnel in the Canadian Advertising World

James Fisher Co. (Montreal and Toronto) directing Canadian promotion for Smith's English Clocks, a division of S. Smith & Sons (Canada) Ltd., makers of clocks and precision instruments. Consumer campaign using rotogravure sections of national weekend newspapers and selected magazines, advertising built around theme "Smiths, the world's most familiar name, brings you the world's finest clocks." Trade publications and direct mail used to introduce consumer campaign to the trade.

* * *

O'Brien Advertising (Vancouver) using variety of media for Vancouver Motors, west coast Ford dealers. Painted bulletins, radio, newspaper and direct mail will figure prominently in fall and winter campaign.

* * *

Stewart - Bowman - Macpherson Ltd. (Winnipeg) running test campaign in Winnipeg market to introduce Vivid Safety Bleach, new product of Mid-West Soap & Supplies Ltd., Winnipeg. Media include newspapers, radio, buses and street cars and point of sale advertising.

* * *

Walsh Advertising (Toronto) directing campaign for Superior Cloak Co., featuring Posluns suits and coats, in selected list of daily newspapers across Canada. The 600-line ads show fashion illustrations of suits and coats with copy held to a minimum.

* * *

James Fisher Co. (Montreal and Toronto) directing publicity for Reardon Co., Montreal, using daily and weekly newspapers across Canada to promote Bondex Cement Paint, Dramex Texture Paint and R.W.K. Casein Paint. Campaign ties in with seasonal uses of the products and insertion dates dovetail with pre-arranged store and window displays by dealers. Four-color space in selected magazines is also used.

* * *

Industrial Advertisers Association of Ontario this week published its first monthly news sheet "ADventures," with the hope it will increase membership and bring news of industrial advertising to many non-members. Editor is John McNally, of Geo. W. Crothers, Ltd., Leaside, Ont.; associate editor: Wm. G. Dulmage, Westman Publications Ltd., Toronto.

* * *

Stevenson & Scott (Montreal) handling advertising in Canada for Panelyte Division of St. Regis Paper Co. (Canada); promotion includes printed literature, point-of-sale displays, direct mail and a program of trade and national advertising.

* * *

E. W. Reynolds Ltd. (Toronto) appointed to direct the advertising of Beauty Counselors of Canada Ltd. Present plans call for regular advertisements in weekend newspapers and women's magazines.

* * *

R. C. Smith & Son (Toronto) announce Robert G. Fitzpatrick and Hugh T. McConkey joined the agency Sept. 17, as account executives.

* * *

Harry E. Foster Advertising (Toronto) has obtained first commercial rights to the full color photographs of the Duke of Edinburgh by Yousuf Karsh for use in advertising by their client, O'Keefe's Brewing Company Ltd. Company's series "Tradition counts" will salute the Navy, featuring four color photograph of Prince Philip, wearing the uniform of Lieutenant-Commander and will appear in two national magazines Oct. 1. An adaption of this ad is being prepared for indoor street car cards. Both magazines and street car ads offering reprints, suitable for framing, to the public.

* * *

The Tea Bureau announced a series of strong merchandising drives at the annual convention of the Tea and Coffee Association of Canada in Quebec recently. Aim is to establish "tea time" in city-wide promotions covering large cities in Canada. New advertising campaign will use newspapers and radio. 15-minute radio program "Tea Time With the Stars" continues on 20 major stations, three times weekly from October to June. 15 other stations will carry one-minute spots. Over-all theme stresses fact that tea is right at any time and includes messages promoting afternoon tea. 375-line ads will run in 17 daily newspapers beginning in October.

* * *

Kenyon & Eckhardt Ltd. (Toronto) appointed by Timber Structures of Canada Ltd., Peterborough, Ont., to direct its advertising. Media plans include newspapers, business and technical journals and farm papers. Campaign is to be supplemented by direct mail to architects and engineers.

* * *

Ronalds Advertising (Toronto) announce appointment of Gordon Clarke to the Art Department.

* * *

Walsh Advertising (Toronto) handling advertising for Sutson Ltd., Owen Sound, started the fall campaign for Book Presentations division of the company in a full-page, four-color ad in weekend papers. Coupon on ad gives complete details for ordering and includes special offer to save shipping costs.

* * *

Household Finance Corp. of Canada begins series of institutional display ads in 60 weekly newspapers. Campaign is supplementary to locally placed advertising and will deal with consumer credit in Canada and the small loans business.

* * *

Stewart - Bowman - Macpherson Ltd. (Winnipeg) release campaign for International Heating & Supply Ltd. products: Booker Furnaces and Heaters. Advertising will run in select list of western farm journals, dailies and weekly newspapers. Spot announcements will be aired over 12 radio stations.

* * *

Walsh Advertising (Toronto) starts two special fall promotions for Holeproof Hosiery, London, Ont. First promotion centres around new shade created for the Royal Visit known as "Your Highness." Package appeal features souvenir box of gold and purple with gold braid handle. National newspaper and trade paper advertising will coincide with arrival of the Royal couple. Second promotion is novelty featuring "Candy Stripe" heel panel stocking.

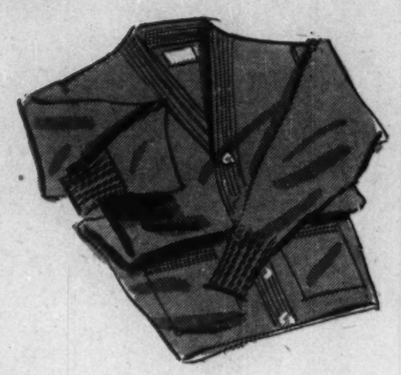
* * *

National Industrial Advertisers Association held first meeting of the Canadian Chapter in Hamilton Sept. 18. Executives from Toronto, Montreal and Vancouver chapters attended, along with Blaine G. Wiley, executive secretary of the National Industrial Advertisers Association, New York, who gave a word picture on activities of the association.

SIMPSON'S
THE STORE FOR MEN

Men's Cardigans

Smooth interlock-knit all-wool in button front style, with elasticized shoulders, two pockets. Beige, green or silver.
Each, 13.95



at Simpson's TORONTO
DEPT. 253
STREET FLOOR

SAGUENAY POWER CO. reports a total of 42,572 4½% preferred shares outstanding as of Aug. 31.

SOUTHERN CANADA POWER CO. reports gross earnings of $554,469 for August, up somewhat from $507,148 in August, 1950. Operating and maintenance expenses rose to $246,523 ($203,844), taxes to $114,505 ($97,194) and depreciation, interest and dividends to $186,377 ($167,280). Net surplus for the period dropped to $7,064 ($38,830). For the 11 months ended Aug. 31, gross earnings totaled $5,938,080 ($5,232,929 same period a year ago), and net surplus amounted to $45,825 ($247,549).

Telecom LIMITED

TELECOM—The improved, efficient and economical inter-office and factory communication system.
Ask for a Demonstration
EMpire 4-9007
93 Church Street, Toronto, Ont.

With The Week's Groceries, Cut-Rate Intellectual Diet

What looks like a new wrinkle in the old axiom that advertising pays for itself is getting a workout in the Toronto-Hamilton district for the next 16 weeks or more.

If it lives up to expectations, it may be expanded to cover most of Eastern Canada.

Dominion Stores Ltd. is conducting what's frankly termed an experiment, in offering for sale a complete set of encyclopedias in their Toronto-Hamilton chain food stores. It's the first sale of hard-cover books on any large scale in Canadian chain food stores, an idea that has been given a successful try-out in the U. S.

The scheme combines neat promotion with common retail practice of mass turnover goods at a profit. Thus, Dominion is able to offer individual volumes of the set at 95c each, advertised as "last sold for $55 per set of 16 volumes," at a profit. Prime motivation however, is promotion. Special handling and distribution costs rule out profit as the first consideration, at least at this stage.

The big drawing card is that individual volumes of the set (it's American International, 1950 edition) go on sale each week with the double-barreled purpose of attracting new customers and pulling back old throughout the 16-week promotion plan, and making it easy, at 95c a week, for families to get their set of encyclopedias.

The program was launched last week in full-page newspaper ads and "as a tra c builder has been unquestionably successful in the initial few days," according to one Dominion Stores official.

Since it's mainly promotional, buyers aren't allowed to get ahead of schedule. They bought volume No. 1 last week, have to wait a week for volume No. 2. Late comers can pick up back volumes as the program moves ahead.

Dominion men stress that it's advertising and experimental. It's not the first indication that "food" chain stores are yet going the way of the North American "drug" store.

SUPERTEST PETROLEUM CORP. reports issuing of 291 old ordinary shares under the conversion privilege contained in the company's 4% convertible sinking fund debentures. As at Aug. 31, there were 116,302 old ordinary shares outstanding, or on the basis on the subdivision, 581,510 new ordinary shares.

Waning U.S. Balance Has Travel Industry Worried

Canada's most heterogeneous business—and the nation's second-largest non-trading source of U. S. dollar earnings—faced up to a host of perplexing problems last week as 200-odd members and guests of the Canadian Tourist Association cruised down-river to Murray Bay, Que., for their annual three-day convention.

They took a look at everything from the upward trend of Canadian tourist spending abroad to the condition of public washrooms at home and came up with a long list of recommendations aimed at pouring more dollars into Canada's tourist trade balance.

One of the thorniest problems to Ottawa and to the men who conduct our tourist business is the alarming fact, as pointed out by W. R. Miller, of the Dominion Bureau of Statistics, that expenditures of Canadian travelers outside Canada were 38% higher in the first half of this year than they were in the same period last year.

For the first time in 25 years, he said, the amount spent by Canadians outside the country may, if the present trend continues, exceed what foreign tourists spend in Canada (last year we wound up with a comparatively narrow balance of $53 millions after foreign tourists spent some $275 millions here and Canadian travelers spent some $222 millions outside Canada).

Less Spending Here

Based on incomplete figures for this year Mr. Miller told delegates the average length of stay in Canada has declined about 11% since 1947.

Resources and Development Minister R. H. Winters said if Americans spent as much per head of their population as Canadians do in the U. S., Canada's U. S. dollar earnings from tourism would approach $2,000 millions instead of the postwar average of a quarter billion annually.

"Make them want to stay longer," the slogan used in the Association's annual Tourist Service Week educational campaign last spring, sums up a good many of the solutions discussed for Canada's current tourist trade problems.

Resources Minister Winters said a Canadian Travel Bureau survey showed that only one tourist in seven stays longer in Canada than 48 hours but this one seventh part accounts for four fifths of the nation's entire tourist revenue.

Pet project of the Association—to lengthen Canada's vacation season—got fresh drive with a vote to arrange an early meeting of trade unions, educational and tourist authorities with a view to getting Labor Day moved to the third week in September.

Exchange Problem

Canadian Travel Bureau Director Leo Dolan urged local tourist associations to educate members on proper exchange procedure. Getting the tourist to make his own exchange at the banks found favor with delegates.

The U. S. Travel Trends Committee, composed of American (non-voting) members forecast continued upward trends in U. S. travel. Canada's biggest competitor for U. S. tourists is the U. S. itself. Garland Hicks, of Scripps-Howard newspapers, gave estimates of 1951 travel within U. S. borders as 10% to 25% higher this year than last.

NEW NORZONE MINES has agreed to issue to H. W. Knight Jr. 300,000 shares at a discount of 95% from par value, in consideration of his guarantee of bank loans approximating $110,000 and any further advance necessary to bring the property into production. Upon issue of these shares, issued capital will be 4,966,666 shares, leaving 33,334 shares in the treasury.

WESTERN CANADA BREWERIES advises that under an agreement with Retailers Trust Co., whereby holders of Class B shares of Drewrys (Regina) could exchange shares on a share-for-share basis, 28,493 shares have been issued, thereby increasing outstanding shares to 637,477.

14 Students Pass Course One Invest. Dealers' Assoc. of Can.

Fourteen additional employees of member houses of the Investment Dealers' Association of Canada have passed the final examination in the recent run of its Educational Course I. This brings the number of those who have completed Course I in 1951 to 70. 56 employees were reported to have passed earlier (The Financial Post, July 21, 1951).

Of the total of 93 who wrote the June 5, 1951, examinations of Course I, two passed with Class A honors and 68 passed with Class B honors, while 16 failed and seven did not complete term work.

This was the fourth time that Course I had been given. It will be reoffered for the fifth time about Sept. 30.

Here are the additional results for Course I.

CLASS A

James H. Knowles, Milner, Ross, Toronto.

CLASS B

Rene Blais, Beaubien & Co., Montreal.
Peter Candy, Royal Securities, Ottawa.
Lucien Cornez, Beaubien & Co., Montreal.
Philippe Drolet, Beaubien & Co., Montreal.
Jean-Paul Leblanc, Beaubien & Co., Montreal.
John C. Lees, Yorkshire Securities, Vancouver.
Fernand Normandeau, Geoffrion, Robert & Gelinas, Montreal.
J. C. Pontbriand, Beaubien & Co., Montreal.
Robert J. Putman, Royal Securities, Toronto.
John D. Ryan, Biggar & Crawford, Toronto.
A. L. Skaros, James Robertson & Sons, Vancouver.
John G. Taylor, A. E. Ames, Winnipeg.
Claude Trudel, Beaubien & Co., Montreal.

ANNOUNCING

Important Appointments in Business and Government Canadian Industry, Finance.

Canadian Tourist Association — R. G. Perry, Montreal, president; Ralph R. Moore, Edmonton, Georges Leveille, Quebec, and Clifford W. Hale, Toronto, vice-presidents.

Catelli Food Products Ltd. (Montreal)—Sen. James A. MacKinnon, John E. Brownlee, directors; Leslie F. Burrows, chairman executive committee.

Dominion Foils (Canada) Ltd. (Montreal) — J. C. Manson, Vancouver branch manager; R. G. Hughes, western sales manager.

F. C. Russell Co. of Canada Ltd. (Toronto)—H. P. Smyth, vice-president and general manager.

Federation of Automobile Dealer Associations of Canada — president, Dan McLean, Vancouver; vice-presidents: C. R. Howell, Toronto; Fernand Jarry, Montreal; W. P. Logan, Saint John; Dave A. Amory, Montreal, secretary; A. J. Cameron, Moose Jaw, treasurer.

Gooderham & Worts Ltd. (Toronto)—G. D. Kuhn, western sales manager, beverage and industrial division; W. Keith Murray, Manitoba representative.

Hygiene Products Ltd. (Montreal) —Antoine Pare, director.

Imperial Oil Co. (Toronto)—F. C. Lantz, manager, new pipe line department.

Manufacturers Life Insurance Co. (Toronto)—K. C. Wilson, manager Peterborough branch; J. G. Allan, manager Guelph branch.

Transparent Paper Products Ltd. (Montreal)—McDuff W. Lamb, sales promotion representative.

York Knitting Mills Ltd. (Toronto) —John R. Woods, a director.

Add Announcing—Koby

LOOKING FOR YOUNG BLOOD?

An experienced financial and cost accounting executive would like to locate with progressive outfit as Comptroller, Treasurer, Secretary, Chief Accountant or assistant to any of these. Special knowledge of printing cost accounting.
CHARTERED SECRETARY COMPANY ACCOUNTANT (INC.)
BOX 142, THE FINANCIAL POST, TORONTO

MARITIME MANAGER

National business organization seeking Manager for Maritime office.
Duties to include responsibilities as Manager of the Maritime Board of Trade.
Essential qualifications include background in Maritimes and ability to meet public.
Experience in organization work and education are important factors.
Replies will be treated confidentially, give full details and salary range expected.
Address all replies to The General Manager, The Canadian Chamber of Commerce, 530 Board of Trade Building, Montreal, Quebec.

A RARE OPPORTUNITY

For a man with executive ability to become general manager of an established, operating manufacturing company. The man selected will be aggressive, have had sales organization experience, and, perhaps, experience in the paint and varnish industry. He will also have available for investment $25,000, which, however, will be amply secured and at all times under his personal control. He will be assured of complete control of the company and will receive options on stock that, if he is successful, will make him THE major shareholder. This company is now equipped to manufacture more than $1,500,000 annually and could pay in excess of 100 percent dividends on present capitalization. Write in confidence to
BOX 153, THE FINANCIAL POST, TORONTO

REPEAT OFFER

BABSON'S
"OUTLOOK FOR EARNINGS"

The excellent response to our offer of a short time ago, dealing with the "Outlook for Earnings," has prompted us to have these studies reprinted. For those who missed, or may have been unable to take advantage of our earlier invitation we are now able to repeat this offer.
THE FUTURE TREND OF EARNINGS is of vital interest to every investor. Will it be up or down? Which companies will be exceptions regardless of the trend? Which concerns are likely to continue showing a steady GROWTH in earnings and dividends?
You will find the answers in this series of studies covering over 100 LEADING CANADIAN COMPANIES. AT LEAST 58 OF THESE HAVE PAID DIVIDENDS CONTINUOUSLY FOR AT LEAST 10 YEARS.
AN ESTIMATE OF PER SHARE EARNINGS IN THE CURRENT FISCAL YEAR IS GIVEN IN EACH CASE, and an opinion on each of the issues analyzed is also expressed. This enables you to determine whether an issue should be HELD, SOLD or BOUGHT.
These studies are the result of painstaking effort, are unique in character, and — as far as we know — are not available in similar form anywhere else in the Dominion.
Simply pin a $2.00 bill or cheque to this advertisement, together with your name and address (please print) and the material will be sent to you immediately.
BABSON'S CANADIAN REPORTS LIMITED
Harbour Commission Building Toronto 1 Wa. 3316

DISTRIBUTORS WANTED

To handle operators and dealers whose profit will be $30 per hour, spare or full time. By servicing 2 cars a day, anywhere, anytime, with an injection gun, without deflating the tire, they will net $150 per week. Air-Seal is the only product on the market that will make any tube puncture-proof and blow-out safe for $3.70 up. Demonstrated with an ice-pick. This is not a gadget but a proved accepted necessity that carries a money-back guarantee. We are seeking individuals who can invest $300 for initial stock or more, depending on territory desired, for the exclusive distributorship in a protected area and receive benefit of prepared national advertising campaign.
WRITE SAFETY DISTRIBUTING CO. OF CANADA, 940 GERRARD ST. E., TORONTO

WANTED SALES EXECUTIVE

General sales manager required by medium-sized textile firm manufacturing a nationally known and advertised product. This position offers a substantial base salary plus profit participation.
Age range preferred 30 to 45 with considerable sales administration and merchandising experience.
Our client's employees are aware of this opening. All replies will be treated with complete confidence.
Apply in writing to
J. D. WOODS & GORDON LIMITED
15 WELLINGTON ST. W., TORONTO

FACTORY MANAGER WANTED

A well established and growing Company in Toronto requires Factory Manager to take charge of production and associated departments including purchasing, materials control, standards, engineering and personnel.
Experience in automotive manufacturing preferred. This position entails supervision of the fabrication of steel channel, plate and sheet; operation of a mill room and paint shop; and the assembly of these and other purchased components.
Experience and proven executive ability is necessary. Applicant should supply complete business experience and personal details. All applications will be treated strictly confidential.
APPLY BOX 151, THE FINANCIAL POST, TORONTO

CLASSIFIED ADVERTISEMENTS

Classified ads cost 8c per word and figure for each insertion. Minimum charge $2.00. Add six words when box number is required. When replies are to be mailed to advertiser add 15c. Classified ads payable in advance. Contract rates on application.

POSITIONS WANTED

EXECUTIVE ASSISTANT with university degree, 30 years of age with experience in sales, public relations and management, requests position in firm offering opportunity for advancement. Box 152, The Financial Post, Toronto.

BILINGUAL SECRETARY. Early thirties. Efficient. Desires interesting position with opportunity of using initiative and assuming responsibility. Residing in Montreal. Box 155, The Financial Post, Toronto.

POSITION AVAILABLE

PERSONNEL MANAGER to organize and administer Personnel Department in large food manufacturing company. Our employees have been advised of this advertisement. Box 120, The Financial Post, Toronto.

BUSINESS PERSONALS

TELEPHONE ADDRESS SERVICE

Mail Address and Telephone Answering Service only 60c a day. Convenient downtown location from which your representative can operate as effectively as if maintaining own office. 24 hour telephone secretarial service!

TELEPHONE ANSWERING SERVICE LTD.
80 Dorchester St. W., Montreal
UN.6—6921
90 Bloor St. W., Toronto, PR: 4471

FOR SALE

FOR IMMEDIATE SALE

CONVEYOR BELTING, new and used in all sizes. Immediate delivery. Troughing and Return Idlers, Water Steam, Air Suction and Discharge Hose, Electric Motors, Pumps, All from stock. N. Smith Belting Works, 138 York St., Toronto. EM. 3-1437

TYPEWRITER CLEARANCE

ALL STANDARD MODELS including Underwood, Remington, Royal, Smith, To clear only $39.50; later models with all features, only $49.50. Also wide carriages. Fully guaranteed. We ship C.O.D. promptly. (Portables and adding machines available). Write Capitol Equipment Co., 2098 St. Catherine St. West, Montreal, Que.

LOTS OR ACREAGE on sandy beach with safe warm swimming. Good fishing. Nicely treed, level ground. Anchorage—P.O. Box 101, Nanaimo, B. C.

Business Opportunity

WILL MORTGAGE two valuable properties for Twelve Thousand dollars and pay back Fifteen Thousand plus 5% interest within three years. Opportunity will also be offered to an established money maker. This is optional. Box 140, The Financial Post, Toronto.

OPPORTUNITY

TO SECURE capable experienced business administrator, plus substantial cash investment. Would like to hear from established concern doing good volume who needs additional capital for expansion. R. Jones, #1 Co-Op Bldg., Medicine Hat, Alberta.

TENDER NOTICE

The Director General of Supplies and Disposals, Government of India, Shahjahan Road, New Delhi, India, invites Tender #SE3/19041-B/18994-B/II for stores detailed below, so as to **reach him on or before 4 P.M. on November 5, 1951,** on forms (not transferable) obtainable from India Supply Mission, 635 F Street, N.W. Washington, D.C., U.S.A. on payment of the Tender fee of $2.43 (not refundable) per set (inclusive of price of Drawings/specifications):

1. 19041.B — Cable Catenary Hard Drawn high conductivity copper stranded 0.075 sq. in. (37/.115) B.B.C.I. Rly. Specification-BBEL-21 — 47,400 Yds.
2. 19041.B — Wire Contact Hard Drawn Copper 0.25 sq. in. grooved to C.E.E.'s Drawing No. E-470, D.G.S.&D.No.268 and B.B.C.&I. Rly. Spech. No. BBEL-20 — 45,680 Yds.
3. 19041.B — Wire Copper Semi Hard Drawn Solid Circular No. 7 S.W.G. (for dropper) tensile properties to B.S.1432/1948 as far as applicable 9,300 Yds. (Ton. 1-4 Cwt.)
4. 19041.B — Cable Hard Drawn Copper 7/12 S.W.G. for cross span 7,500 Yds. (Ton 2-7 Cwt.)
5. 18994-B — Wire Copper Hard Drawn Bare High Conductivity Solid Circular No. O S.W.G. to B.S. 125/1947 — 13¾ Cwt.
6. 19095-B — —do— —do— but 4 S.W.G. — 17½ Cwt.

Labor Troubles Coming In Defense Industries

(Continued from page 1)

are three CCL locals. None have any Red influence. Originally, it was planned that all should affiliate with the CIO Marine and Shipyard Workers Union. It didn't click because this union didn't have enough money to operate a Canadian section. So the CCL kept them as independent locals.

Now Charlie Millard and his Steelworkers want to take them over.

Without consulting anyone in the CCL, they started out to organize the three Ontario shipyards, got slapped down by the CCL and withdrew.

The action resulted in a serious rift within the CCL top leadership. This was some weeks ago. In the meantime, something appears to have been done to heal the breach. Those who opposed Millard most strenuously at first now appear to have swung over to his side. It looks like Steel is going to be given jurisdiction in shipyards.

However, again behind caucus doors here this week, it's understood the CCL executive committee decided to pass the buck on to the incoming executive. Since this executive will be the same as the old one, the point in delaying the issue is hard to see, except that it might give more time to win over some who are still bitterly opposed to Steel's move.

As for the independent unions involved in this squeeze play, they don't appear to want any part of Steel. One local has already protested the CCL juggling and by resolution expressed objection to being taken over by Steel. Not much trouble is anticipated if the CCL okays the deal.

But taking over the East and West Coast yards, will be something else. Communists don't give up that easily, as Steel has found since being given jurisdiction in the base metal mining industry. There, Steel is up against the tough Mine, Mill and Smelter Workers.

The Textile Fight

None of this reached the convention floor here. Nor, at midweek, had another issue causing plenty of grief behind the scenes: the internal fight in the Canadian section of the CIO Textile Workers. It can cause trouble for the textile industry.

The dilemma: Sam Baron has been fired as the union's Canadian director. By virtue of that job, he became a vice-president of the CCL.

A new man, D'aoust has taken over Baron's job.

Where does that leave the CCL? Should Baron be dropped in favor of D'aoust? At midweek, the CCL still hadn't made up its mind. But this was one issue that couldn't be sidestepped. This has to be decided one way or the other.

No matter what happens, the CIO Textile Union will remain split, with Baron heading up a faction around Hamilton and D'aoust the rest.

In the Chemical Field

Another potential jurisdiction dispute is building up within the chemical industry. At present there are three union groups in this field: the AFL Chemical Workers; District 50, United Mine Workers, and CIO Gas, Coke and Chemical Workers.

The troubles involve the two latter organizations. District 50—John L. Lewis's catch-all division—is not affiliated with the CIO but is with the CCL. The Gas, Coke and Chemical Workers is affiliated with the CIO but not the CCL. Now the latter wants to get into the CCL too.

The CCL can't very well have two unions holding the same jurisdiction. This ticklish one had also been referred to the incoming executive.

Meanwhile, the CCL went ahead and cleaned its house of the last Communist-led union. On Monday, they heaved out the International Fur & Leather Workers.

Look For It Here

September 22, 1951

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HAVE YOU ASSETS ABROAD?

If so, Foreign Exchange Control Regulations, or problems of Income Tax and of possible Death Duties, may be troubling you. Perhaps you are paying too much Income Tax abroad or could make changes in your assets to the advantage of your Estate.

We are exceptionally well equipped to advise you on these subjects and should be pleased to discuss them with you.

* * *

BARCLAYS TRUST COMPANY of Canada

304 Bay St., Toronto. EMpire 4-5404 — 214 St. James Street West, Montreal. MA. 6191

CONTROLS

Weekly Digest of how U. S. is moving in controls; moves that may affect business and industry in Canada.

Aluminum scrap — A new order permits use of scrap aluminum by anyone qualifying as a producer, smelter, fabricator or reclaimer, but prohibits shipment under toll agreements after Sept. 30 without NPA approval, except specified shipments by fabricators.

Artificial graphite — A new order eliminates inventory limitations which had been placed on stocks of artificial graphite and carbon electrodes.

Transmissions—Effective Oct. 1, the number of passenger cars which may be equipped with automatic transmissions has been limited to 35% of production where factory delivered car price is $1,800 or less and to 65% where price is between $1,800 and $2,500. Also prohibited is use of primary aluminum in engine pistons.

Ottawa Ready to Announce Its Seaway-Power Project

(Continued from page 1)

by a Congressional committee last month, Ottawa appointed a cabinet subcommittee to explore the all-Canada route. It is this committee which has been actively pressing the whole program in recent weeks.

With groundwork almost completed between Canada and the two provinces most directly involved, the stage is set for a final and formal approach to Mr. Truman. It is now hoped and expected that this can and will be completed prior to the opening of the Canadian Parliament on Oct. 9.

For Mr. Truman, the decision to be made involves the major step of allocating development of the important St. Lawrence power site (on the U. S. side) to state, rather than Federal authorities.

Since 1948, New York state has had at Washington an official application for authority to develop this power in conjunction with Ontario. So far, Mr. Truman has refused this application. His express reason is that he did not want a power development in the international section of the river apart from the seaway.

Mr. Truman's Moves

The new approach is that Canada will now offer Mr. Truman an express undertaking that she herself is prepared to undertake the seaway. On this basis, it is now confidently expected that Mr. Truman will, by executive order, do two things: 1. Clear the way for a hearing by the International Joint Commission; 2. Remove earlier objections to a power license on the part of the U. S. Federal Power Commission.

It is expected here that if these approvals are given by Mr. Truman, there will be some arrangements made for including the New England states as beneficiaries in future power development. Earlier treaty arrangements have made provision for New England power participation. And their inclusion at this time would remove the stigma that the White House was giving away federal rights in an important natural resource to one single state.

Favorable action by Mr. Truman in the next week or two does not mean that work on the seaway could start immediately. It is believed that hearings before the IJC will take the best part of a year. There may also be a number of new, important technical decisions to be made in drafting a new all-Canadian route, prior to any IJC hearings.

However, it is now believed that Ontario and Ottawa will try to follow the original joint Canada-U. S. plans as closely as possible so as to expedite formal approach to the IJC.

One point of the controversy, for example, is whether or not to include an additional dam at the Iroquois Falls.

In the 1941 treaty plans, this dam is called for. It would cost about $30 millions.

But the power application of New York and Ontario in 1948, did not include this dam. Power engineers argue it is unnecessary.

Completion Goal

Under discussion now, is the speediest possible way of getting the new proposed application before the IJC. This might mean leaving the power dam in at present—even if later on it was decided to kill it— simply on the grounds that any major variation from the 1941 treaty scheme would entail unnecessary delay at this stage.

(The 1941 treaty plans include a study and examination of an all-Canadian route as an alternative proposal. However, this was not included in published plans because it would have cost $25 millions or $35 millions more than the presently suggested U. S. canal through U. S. waters.)

Goal for completion of the first power stage in the new proposed plans is still pretty close to 1958. This would bring ultimate completion of the entire project to about 1960.

Criticism on Use of Funds May Open IMF Strongbox

(Continued from page 1)

deficits on current account for monetary stabilization operations." If this had not been done, said Mr. Snyder, the statute would have required the United States to seek an amendment to Fund articles.

Lessened U. S. Veto

What is likely to come out of last week's discussion is primarily a more moderate exercise of the United States veto power, in respect to use of the Fund's resources.

Since the United States holds one third of the total voting power in its own name, it has in the past, almost always been able to dominate any situation, whether or not the overwhelming majority of countries favored a different course.

The hope is now expressed that a more reasonable view of its responsibilities will be taken by the U. S. in future, especially where individual decisions of no great dollar magnitude are concerned. If this were done, the effect on the Fund policy, in aggregate, might be considerably different than during 1950, when one transaction only (for $28 millions) was completed.

On the other thorny question (raised initially by the U. K.) of exchange restrictions, the present position of the Fund was stated quite clearly by Mr. Snyder.

He pointed out that the 5-year transition period does not automatically end on March 1, 1952. This is the date, Mr. Snyder noted, when members are required to begin consultations on the maintenance of restrictions.

Plea For Realism

It is expected that countries like Britain will then begin discussions "in light of developments as they actually occur." "Conditions in the past" said Mr. Snyder, "have changed rapidly and they may do so again. If the economic situation of any country at the time of consultation is such that relaxation of restrictions may be undertaken without impairment of the country's defense effort, we believe such relaxations should be made."

Earlier, the U. K. had made it clear that for the sterling area, it saw little chance of any relaxation in its present currency and exchange restrictions during 1952 and 1953. It was also suggested that many countries might not be able to avoid adding new restrictions.

"It was felt by the U. K. governor, that the Fund was placing too much stress on what happened in 1950, and not enough on the serious deterioration that had taken place since then. It was thought therefore that it was not practical for the Fund to discuss discontinuing of restrictions but rather to try to hold the line and not expect too much to be done away with during the coming year."

COATICOOK, QUE. School Commission has sold $225,000 4% bonds due Aug. 1, 1952-71 to a syndicate composed of A. E. Ames & Co. Ltd. and Dawson, Hannaford Ltd. at 95.81. Net cost 4.576%. Provincial grant of $129,220 payable in 10 installments. Proceeds for construction of school. Net funded debt at June 30, 1951, $49,400. Population, 6,197.

New Squeeze On Metals For Early '52?

(Continued from page 1)

groups favor inflation (organized labor, farmer, etc.).

2. The current enthusiasm for production at any cost, is creating big and dangerous pressures — especially on the wage front.

Thus, it is now argued that all present pressures (except the possible effect of very good crops in most farm areas) are in favor of inflation, with little or no real effort being made seriously to put on the brakes.

Congress, for example, has made it clear that there will be no important tax boosts in 1952 — election year. And it now seems unlikely that new proposed taxes will yield more than $5 billions or $6 billions additional revenue. This compares with an initial request by Mr. Truman for an additional $16 billions in taxes.

As well, the Government has recently eased the earlier credit curbs on most consumer goods and the terms on which new houses can be built.

If there is any virtue at all in the basis on which Canada is attempting to control inflationary pressures, recent action in the United States suggests that our neighbors are moving in quite the opposite direction.

GARNIER, QUE. School Commission has sold $210,000 4% bonds due Aug. 1, 1952-66 to Oscar Dube & Co. Inc. at 93.31. Net cost 5.144%. Proceeds for construction of school. Provincial grant of $146,758 payable in 10 annual installments. Net funded debt at June 30, 1951, $6,082. Population, 1,430.

Higher Taxes Are Issue For Canada In NATO

(Continued from page 1)

defense. The cost of this is about $250 million, of which a fifth is chargeable to the French for land supplied by them, etc.

To date, NATO experts have produced six or eight separate schemes for sharing the burden among other NATO powers. Not one of them has proven acceptable.

The French are now believed to have given NATO notice that they are through with any further temporizing; that they will quit as of Oct. 1 unless by that time some formula for distributing the costs is found.

From the military point of view, a decision is needed now even if it's not a perfect solution.

Perhaps out of it may come some general principles which will lead toward over-all solution. But not likely. However, top-level government representatives may find a way to clear and clarify the huge piles of reports and paperwork—much of it conflicting, overlapping and confusing—which now make it difficult to marry military plans with fiscal and economic realities.

After that, it will be up to the political leaders themselves to make decisions as to where the respective governments tie in.

In all this, there is a pretty fundamental conflict between the U. S. point of view and that of most other countries at the conference.

The U. S. tends to give full rein to the military planners — often with little thought to the validity of their calculations. As well, the U. S. is traditionally less concerned with costs, prices, wages, etc., than are the less wealthy partners.

Right now, it would appear that the important "gap" is not between promise and performance, but rather between what has already been promised and what is still required.

The British, for example, still maintain that they hope to be able to deliver on the undertakings they have already made towards defense rearmament. But they can't take on any new commitments.

Much the same is true for other European countries.

This is where some of Canada's particular worries emerge.

It may well be that as one country after another excuses itself from further effort, the "residuary legatee" (outside the U. S.) is Canada.

The Canadian Government won't automatically accept this position. At least it won't accept a position that requires a larger effort than the government believes it can safely impose on the Canadian people as at next March or April.

CONSTRUCTION and Logging Equipment

J.S. INNES LIMITED Distributor

930 Millwood Rd. Toronto 17

Bert Butler Goes To Detroit In Trade Move

OTTAWA (Staff)—B. C. (Bert) Butler is to be Canada's new consular and trade representative in Detroit. He succeeds J. J. Hurley. Mr. Butler, who has been director of the Information Branch in the Department of Trade and Commerce in Ottawa, was formerly a trade commissioner.

Further extension of trade commissioner representation by Canada in the United States is expected in the near future. The next likely spot is New Orleans. A number of key U. S. cities have also been under consideration.

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THE HISTORY OF ADVERTISING shows that many or even most of the famed advertising and merchandising successes — the brilliant advertisements that created talk and sales—and the inspired merchandising ideas that payed off, were born in the minds of certain *individuals.*

These individuals were usually not the famous established "big names" of the advertising world. These were just anonymous, hard-working, sound-thinking people who knew their business and took off their coats, tackled the problem at hand with — *THINKING.* These people came up with successful ideas and history-making campaigns because they knew better than the average how to *use* the tools they and *everyone* else possess.

Lucky is the advertiser who has such people working out his advertising problems for him!

The point we are making, of course, is that successful advertising is a matter of *MEN AND THEIR MINDS.*

•

This agency feels that it is propelled by exactly the type of people discussed above. This is a true "shirt-sleeve" agency in which the four principals are accustomed to getting the facts and sailing into the job. We are not delegators of our thinking — because thinking combined with experience in putting that thinking into action is all we have to offer. *We* have our share of success stories too — successes that were accomplished not because we are big or small (we are what is known as a medium-sized agency) but because we know how to *think!*

As an advertiser, you may believe that your advertising can stand closer scrutiny. Surveys, research, testing — perhaps you're doing all these things right now. But, are you satisfied that you are getting enough of that down-to-earth commodity known as *thinking-in-action?*

•

Thinking-in-action is a technique. Thinking, in our agency's dictionary, is not just *having* so-called "good ideas". It is giving birth to ideas — yes; but in addition it means following through with all the *energy, enthusiasm and extra services that move merchandise.*

We four undersigned people add up to a lot of experience — in advertising, merchandising and plain thinking. Our staff complements us and we them because they believe in our philosophy.

•

If you believe that your advertising and merchandising could profitably be reviewed and if your budget is in the neighborhood of at least $10,000 or more, we would like to call on you; not with our leather-bound presentations, not with our portfolios of samples, not with our surveys and testing results — *just with our THINKING.*

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Fleet Mfg. Ltd. Orders Backlog Now $10 Millions

Backlog of business on the books of Fleet Manufacturing Ltd. has increased to an amount in excess of $10 millions, President George D. Clarke states. The principal arrangements are with Northern Electric Co., General Electric Co., de Havilland Aircraft Co., A. V. Roe Ltd. and Republic Aviation Corp.

Of shares offered to shareholders recently under a rights offering over 90% were taken up for cash. This, coupled with the purchase of shares for cash by a Toronto underwriting group, has given the company adequate working capital to enter into the major defense business now projected, the president stated in a letter to shareholders. It is expected that the company will build up a labor force of 900 employees within the next year or so, the increase to continue through 1953.

QUESABE MINES has received payment covering 200,000 shares at 30c and 100,000 shares at 35c, under an underwrting and option agreement with Mines Development. Issued capital is 4,400,000 shares, leaving 600,000 in the treasury.

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INVESTMENTS THIS WEEK

Can. Packers Sets Records; 'A' & 'B' Stocks Firm Up

With the mailing of the annual report of Canada Packers Ltd. for the year ended March 28, 1951, last week-end, shareholders and investors see that it has experienced another year of progress and development.

New records were established in dollar sales and net profit while volume was almost identical with two previous record years, fiscal 1945 and fiscal 1950.

Both the company's Class "A" and its Class "B" stocks firmed up slightly on the news. The "A" sold at $40½ a share and the "B" at $34¼ a share as against $39 and $33 a share respectively early last week. They are still lower than their 1951 highs of $45 a share for the "A" and $39 a share for the "B," recorded in April as a result of rumors, not substantiated since, that the company was considering capitalization of its undistributed surplus.

At its current price, Canada Packers' Class "B" stock yields about 4.38% on the basis of the $1.50 total dividends paid or declared for this year. The Class "B" stock is entitled to non-cumulative dividends not exceeding 75c a share for each half-yearly period, subject to the preference of the Class "A" stock. After both classes receive $1.50 in any year, they participate equally, share for share, in further dividends. The Class "A" currently yields about 3.70%.

The company's dividend policy is one question concerning investors. The same dividends were paid in 1950 as this year, the annual rate on the "B" having been raised from the 50c a share paid each year 1945-49. But investors note that the total amount of $1,800,000 paid in dividends in the last fiscal year only amounted to 43.6% of the net profit of $4,126,013 after deduction of $1 million for inventory reserve or to only 35.1% before the deduction. It is also the same as the record amount set aside for employees as profit-sharing.

President J. S. McLean makes no comment on dividends in the 1950-51 annual report. However, the company had bank loans totaling $22,851,581 at March 28, 1951, up from $7,100,590 a year before. In view of this, analysts think it's unlikely that there will be any further increase in dividend rates at this time.

Last year in explaining the dividend increase Mr. McLean said that, since the company was founded, its policy had been to concentrate on the building up of working capital because directors felt that was in the shareholders' best interests. Working capital of $14,657,357 at March 28, 1951, is up from $12,815,179 a year before. However, inventories are up 1.8 times to $40,133,500 at March 28, 1951, and comprised 68.4% of total current assets while the bank loans were more than tripled.

Canada Packers' net profit has increased each year from the $1,611,418 net, including refundable E.P.T., for the year ended March 25, 1943, to $4,126,013 for the last fiscal year—or over 2½ times. The net was up 18.6% last year alone and was equivalent to earnings of $3.44 on the combined Class "A" and "B" shares.

The increase in earnings reflects the steady growth in dollar sales to a new record of $356,825,590 in the last fiscal year—8.8% over the record of the previous year, 2.1 times sales of $169.1 millions for 1942-43 and over four times the sales of $88.2 millions for 1939-40.

Canada Packers total assets had increased to $94,358,551 at March 28, 1951—over twice the total of $46,719,485 at March 25, 1943. Fixed assets of $32,051,410 were up 38.5% in the same period.

Past records all indicate that the company has been growing rapidly. It is this growth trend which is one reason for the stock's attractiveness for investors.

* * *

Two Factors To Consider In Winnipeg Electric Case

Conversations regarding what is a fair value for Winnipeg Electric Co. common stock would appear to be putting more stress on its recent market price than on either the appraised value of the assets or the amount paid to the company for the stock originally.

A recent appraisal by Stone & Webster Engineering Corp., well known U. S. firm, put a reproduction cost new, less depreciation value on all company's physical assets of $96,673,800 and a valuation on an earnings basis of $77 million. D. M. Stephens, chairman of the Manitoba Hydro Electric Board, recently told Winnipeg City Council that the figure he was prepared to recommend for purchase of the company's common shares would turn the common company over to the Board at less than $60 million. The above valuation figures are substantially in excess of this maximum figure.

Winnipeg Electric Co. had an original capitalization of $4 million common stock, par $100. From 1906 to mid-1929 the company issued a total of 140,000 shares to realize $8.9 millions for the company's treasury. This indicates an average amount of $63.57 a share was paid by the purchasers. The present common shares are a result of a share-for-share exchange. This price is also well above the recently talked prices of $42.50 to $45 a share.

The above are facts which might well be borne in mind by the negotiators.

Ontario Sells Issue In U. S.

A new issue of $50 millions Province of Ontario 3¼% debentures dated Sept. 1, 1951 and due Sept. 1, 1972, was offered in the United States this mid-week by a syndicate headed by Harriman Ripley & Co. and Wood, Gundy & Co. Offering price was $97.75 to yield 3.40%. This is the second offering of Ontario debentures in the U. S. this year. (May 15, 1951.)

Proceeds are to be advanced by the province to the Hydro-Electric Power Commission of Ontario for use in its capital construction program. The Commission estimates the cost of the program for the period from July 1, 1951, to Dec. 31, 1951, at about $83 millions.

Cost to the province was an effective rate of 3.48%.

Net funded debt of the province, including treasury notes amounted to $627,511,000 at July 31, 1951 ($587,677,000 at March 31, 1951). Funded debt totaled $717,677,000 ($673,567,000); treasury bills were $7,960,000 ($4,960,000); and sinking fund amounted to $98,126,000 ($90,850,000).

Funded debt of the HEPC amounted to $576,077,000 at June 30, 1951, and will be increased by the issue to the province of $50,000,000 (U. S. funds) bonds of the Commission in consideration of the advance to it of the proceeds of the province's present issue.

Electric Boat Co. Net Income Up

MONTREAL (Staff) — Consolidated net income of Electric Boat Co. and its subsidiary, Canadair Ltd., amounted to $1,220,000 in the six months ended June 30, compared with $1,395,941 for the full year 1950.

On a per share basis, this works out to $1.51 on the common, after preferred dividends. No comparable figures were released on the 1950 first half, this being the first year Electric Boat has issued a semiannual statement.

Consolidated net sales to the end of June were $31.4 million ($41,750,000 for all of 1950), with backlog at that time estimated at $144.4 millions ($91.3 millions at Dec. 31, 1950). Orders in prospect in June were $100 millions more.

Canadiar announced last week it had received an order for T-33 jet trainers from the RCAF.

CIPA to Seek More Data Plant Facilities

MONTREAL (Staff) — Anticipating still further demands on its services as the defense program expands, the Canadian Industrial Preparedness Association plans to send out new questionnaires shortly to Canadian manufacturing plants to find out what they could do on defense orders.

With the placing of large new orders for aircraft such as the T-33 and T-36 projects recently announced, in which a greater amount of sub-contracting than heretofore will be involved, CIPA wants to make sure it has the latest information on what sort of work firms can handle.

It's now two years since CIPA started its survey of Canadian facilities for defense manufacture. Some 500 companies have been reported, more than 200 of which have been visited by Association officials and the rest covered through questionnaires.

In the interval, many have added to their plant and equipment, and the main purpose of the new questionnaires will be to bring present information up to date. The regular work of surveying plants not yet covered will continue.

The reports on the plants are in use by the various government procurement and planning agencies, including the three services and Canadian Arsenals Ltd. In a number of cases, CIPA reports, survey reports have been passed along to companies with prime contracts to help them solve procurement problems.

The new questionnaire, in addition to seeking out what facilities have been added, will also attempt to show what capacity has become open for work due to changing market conditions, such as material controls, credit restrictions and over-supply.

CIPA also anticipates a step-up in activity of its various committees which act in an advisory capacity in special fields such as machine tools, textiles, bearings, chemicals, etc.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

CHATCO STEEL PRODUCTS net profit for the year ended March 31, 1951 was up slightly at $69,465 ($64,008). The continuing high level of business activity combined with effective sales efforts produced a new high record in sales volume, President H. S. Shannon states.

Sales of automotive components and products represented slightly in excess of 50% of total sales volume. During the year important changes were made in plant layouts and processes, particularly in respect to production of automotive equipment, and several important additions to engineering personnel were made.

A complete new line of Chatco Winter Air Conditioners (Warm Air Furnaces) specially designed for use with all standard oil burners, is ready for production. A new development is now ready for introduction to the heating trade.

CONS. INCOME ACCOUNT

Years Ended Mar. 31:	1951	1950
Net earnings	$205,215	$201,446
Less: Deprec.	36,517	33,759
Bond interest	46,000	46,375
Income taxes	53,233	37,304
Net profit	69,465	64,008
Less: Pref. divds.	19,725	19,975
Common divds.	15,000	15,000
Surplus for year	34,740	29,033
Times Bond Interest Earned:		
Before depr.	4.46	4.34
After depr.	3.67	3.18
Earnings per Share and Dividend Record:		
Preferred	*$1.76	$1.60
Paid	0.50	0.50
Common	0.83	0.73
Paid	0.25	0.25

CONDENSED CONS. BALANCE SHEET

As at Mar. 31:	1951	1950
Cash & mkt. secs.		$47,329
Rec. less res.	$844,700	648,519
C.s.v. life ins.	3,000	2,400
Inventories	1,387,682	913,112
Total curr. assets	2,237,382	1,611,360
Prepaid expenses	43,634	42,123
Misc. assets	73,796	175,091
Fixed assets	2,381,110	2,599,859
Total assets	4,735,922	4,428,433
Bank loan	488,867	251,000
Bond int.	19,167	19,167
Accts., tax., etc., pay.	938,982	575,889
Total curr. liab.	1,447,016	946,056
4% bonds	1,150,000	1,150,000
Res. for depr.	496,979	575,125
Capital stock	414,500	419,500
Capital surplus	314,835	454,626
Earned surplus	912,592	883,116
*Incl. in curr. assets in co's report.		
Working capital	790,366	665,294

U. S. Newsprint Use Firm And More Sent Overseas

MONTREAL (Staff)—Newsprint production in Canada continues to set new records despite the slight easing evident recently in U. S. consumption, eight-month figures released this week by the Newsprint Association of Canada reveal.

Output of Canadian mills in August was up 3.9%, compared with August, 1950, and the 3,686,000 tons produced in the first eight months this year was 5.4% ahead of the corresponding period last year. Canadian shipments to all markets were 5.6% higher (U. S. 2.7%, Canada 3.7%, other markets 89.6%) to the end of August.

U. S. consumption was down again in August for the fourth time this year (March, June and July), but the decrease for the year is still only 0.2% and the percentage decline last month (0.7%) appeared to be getting smaller (1% in July, 3% in June).

There were other signs of strength in the consumption picture. U. S. newspaper advertising linage again topped last year in July after being down from 1950 in June for the first time. Linage for the seven months was up 2.2%.

Tonnage going overseas is well ahead of last year, indicating the strong demand from that quarter. Among those taking the biggest part of the increase (from 111,000 tons a year ago to 211,000) were the British Isles, 59,258 (7,605); and Central America and the Caribbean, 75,999 (50,685).

Industry observers are watching the level of U. S. publishers' stocks with interest, and wondering how long the present inventory-building process will continue. North American stocks, in the hands of U. S. consumers and in U. S. and Canadian mills, are at a peak—nearly 130,000 tons higher than a year ago and 50,000 tons greater than the previous postwar high point reached in August, 1949.

The 798,000 tons held by U. S. consumers represents 47 days' supply, the highest August supply-per-day figure since 1945, even though expected consumption per day now is 17,000 tons against 9,850 then. The tonnage on hand is the highest at any time since the war.

Traders Fin. Bonds Offered

An additional issue of $2 million 4½% sinking fund debentures of Traders Finance Corp. is being offered at 100 and accrued interest to yield 4½%, by a syndicate headed by McLeod, Young, Weir & Co. and including Nesbitt, Thomson & Co. and Gairdner & Co. The issue is dated Oct. 1, 1951, due Oct. 1, 1967 and carries stock purchase warrants.

The stock purchase warrants will entitle holders to purchase 25 npv. Class "A" common shares for each $1,000 debenture at any time up to and including Dec. 31, 1958, on the basis of $31 a share up to and including Dec. 31, 1952; the price increasing $1 a share each year to $37 a share after Dec. 31, 1957, up to and including Dec. 31, 1958. The warrants may be detached and may be exercised at any time.

Proceeds will be used for general corporate purposes.

Volume of business handled by Traders Finance has shown a substantial increase in each of the postwar years. The amount of notes receivable, after full provision for doubtful accounts, has increased from $11,361,000 at Dec. 31, 1946, to $83,220,000 at Dec. 31, 1950.

During the seven-month period ending July 31, 1951, the company experienced a substantial increase in business over the same 1950 period, President A. E. Naylor says. Volume of retail and wholesale obligations purchased during the 1951 period, totaled $188,170,000, up 18.6% from the comparable figure of $158,725,000 for the 1950 period. As a result, notes receivable, after full provision for doubtful accounts totaled $107,295,000 in July 31, 1951.

Earnings, after deducting operating and administrative expenses, provision for bad debts, provision for income and excess profits taxes of subsidiary companies but before interest charges and taxes of parent company, amounted to $2,790,723 for the five months to May 31, 1951 ($5,861,568 for the whole year of 1950). Net earnings available for interest on income funding rights and for dividends amounted to $901,811 for the first five months of 1951 ($2,462,112 for all 1950).

Capitalization, outstanding on completion of the financing, consists of $83.7 million of collateral trust notes (including $18.5 million securing bank borrowings); $12,595,000 of sinking fund debentures; $3,500,000 4½% preferred stock, par $100; 209,320 npv. Class "A" common shares and 120,000 npv. Class "B" common shares. There are outstanding 13,653 Series "A" and 6,171 Series "B" income funding rights with a total face value of $507,287.

DO YOU NEED A CAPABLE MAN?

Alert young man, 30, holding responsible position — Journalism, Market Analyst, Government Finance experience, B.A., B.Com., M.A. (Economics) — seeks position requiring originality, ability to write, research, public relations.

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The British American Oil Company Limited is engaged directly or through subsidiaries in the production, refining and transportation and distribution of petroleum and petroleum products, and in the exploration for and development of oil and gas.

The direct benefit obtained from the Company's long-term program of capital expansion and aggressive operating policies was reflected in the operating results for 1950 which showed a 33% increase in net earnings over 1949. During 1951 sales and net earnings have shown a substantial increase over the corresponding period of 1950.

We offer as agents—

The British American Oil Company Limited

Common Shares

Price: at the market, about $23

Quarterly dividends are currently being paid at the rate of 50¢ per share per annum. Additional information furnished gladly upon request.

Telephone or mail orders receive prompt attention.

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Nationally advertised brand of Gas and Oil Heaters. Choice Quebec and Ontario Territories open to qualified Distributors financially responsible.

BOX 156, THE FINANCIAL POST, TORONTO

SALES ENGINEER

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A rapidly expanding organization in Western Ontario can offer excellent opportunities to a young graduate in civil engineering, or architecture, who is interested in a selling career.

A qualified applicant will learn the engineering, fabrication, erection, and sale of a large range of products.

Some experience in industrial building construction an asset.

Remuneration basis for trained representative is salary and incentive bonus. Send full record of qualifications to

BOX 141, THE FINANCIAL POST, TORONTO

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Real Estate Service in Calgary, confide in

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Calgary's Recognized Realtors
Imperial Bank Chambers, Calgary, Alberta.

(Published for informational purposes only.)

Van Roi Consolidated Mines,
Limited
(No Personal Liability)

Property—Consists of sixty-eight (68) Mineral claims and Fractions, located in a contiguous block in the Slocan District of British Columbia. The Company is a consolidation of the original Van Roi and Hewitt mines which formerly produced substantial tonnages of lead-zinc-silver ore.

Development—A development programme has been under way at the property since October, 1950 and has opened up substantial reserves of lead-zinc-silver ore of highly profitable grade.

Ore Reserves—

At August 1, 1951	Tons	Silver oz/ton	Lead %	Zinc %
Positive ore	121,650	10.0	2.5	6.1
Probable ore	18,100	14.0	2.8	7.5
Possible ore	84,500	11.2	2.9	6.0
Total	224,250	10.8	2.6	6.0

Current development programme is steadily adding new ore. A large portion of the property remains to be explored. The ultimate ore potential is thus much greater than above.

Plant—Property is equipped with a mining plant. A 125 ton flotation unit, preceded by a sink and float unit currently under construction. This combination should permit the treatment of a minimum of 175 tons of mine ore daily.

Production Schedule—The milling unit is scheduled to go into production on or about September 15, 1951.

A 7,000 ton ore stockpile grading 14.9 ounces silver per ton, 3.9% lead and 5.8% zinc is already on surface awaiting milling.

Profit Potential—Estimates by the mine and consulting staff indicate an operating profit of approximately $13.50 per ton on the present ore reserve.

Gross indicated operating profit per annum: $600,000.00.

When production commences, the company will owe approximately $450,000.00 in the form of advances by Transcontinental Resources Limited. These loans are repayable out of production returns.

Management—

General Direction: Transcontinental Resources Limited
Resident Manager: D. R. Wilson

Capitalization—

Authorized and issued: 3,000,000 shares, no par value.

The shares of the Company are listed on The Toronto Stock Exchange and the Vancouver Stock Exchange

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525 Seymour Street — Vancouver, B.C.

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London Industrial Property
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20,000 sq. ft. on 1 floor (no posts), concrete and concrete block, brick faced, built in 1949. Excellent retail and wholesale location in centre of city, entrance to property from 2 streets, no parking problems. Additional property obtainable. Photos and description, contact owner

BOX 150, THE FINANCIAL POST, TORONTO

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Storage Problems Solved Economically
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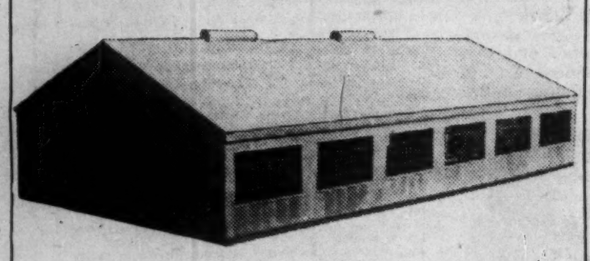

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ESP metal clad buildings are made any width up to fifty feet, and any length. Insulation is optional.

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MANAGED INVESTMENT

Compton's Manager Feels Inflation Still Major Factor

While Compton recognizes the exceptionally high current level of prices of Canadian equities, he does not propose at this time either to reduce his holdings or to make any major switches, Compton's manager says.

Although he feels that a stabilization of price levels in North America is highly desirable from the standpoint of everyone concerned (including himself as an investor), he sees no indication that the present gradual inflationary trend will be reversed for some considerable time. He therefore regards the current pattern of his equity investment as being a necessary and prudent hedge against the anticipated trend of prices and costs.

Compton's Manager Says:

Reflecting the steady advance in stock prices both in the New York and Canadian markets during the past month, the break-up value of Compton's investment portfolio reached the new high of $19,656.04 as at Sept. 15.

The stock market as measured by the Toronto Stock Exchange index of industrial stocks rose from 337.40 on Aug. 16, to an all-time high of 360.28 on Sept. 14.

At the same time, the daily volume of stock transactions on the Toronto Stock Exchange during the latter part of the period ended Sept. 15, was the heaviest since April, 1945. During the five trading days Sept. 10-14, a total of 22,440,000 shares were traded on T.S.E.

Compton recognizes the exceptionally high current level of present Canadian equities, but he does not propose at this time, either to reduce his holdings or to make any major switches therein.

Although he feels that a stabilization of price levels in North America is highly desirable, from the standpoint of everyone concerned (including himself as an investor) he sees no indication that the present gradual inflationary trend will be reversed for some considerable time. He therefore regards the current pattern of his equity investment as being a necessary and prudent hedge against the anticipated trend of prices and costs.

Since our last annual report a number of companies in which Compton has an investment have issued annual or earnings statements as follows:

Canadian Wirebound Boxes Ltd. net profit for year ended April 30, 1951 was equal to $12.25 a Class "A" preferred share, ($7.50 in previous year).

D. A. Stuart Oil Co. net profit was equal to $2.93 a preferred share for the year ending May 31, 1951 ($1.66).

National Steel Car Corp. net profit was equal to $1.90 a common share for the year ended June 30, 1951 ($1.92).

C. P. R. net earnings for the first seven months of the year amounted to $12,825,399 ($12,990,356).

Great Lakes Paper Co. net profit for the six months ended June 30, 1951, was equal to $1.23 a common share (81c).

Hiram Walker-Gooderham & Worts Ltd. has declared an extra dividend of $1 a share in addition to the regular quarterly dividend of 75c a share, both payable Oct. 15.

Aluminium Ltd. shareholders will be offered the right to purchase new shares at $65 a share on the basis of one share for each 10 shares presently held.

During the month ended Sept. 15, Compton received $79.52 in dividend payments and after the monthly withdrawal $56.25, made according to the management agreement, cash balance was increased by $23.27 to $75.79 at Sept. 15.

The Compton Account Now Stands

No. of Shares		Cost per sh. $	*Market per sh. $
	Common Stocks		
75	Abitibi	11.20	20¾
5	Aluminium Ltd.	49¼	110½
10	Building Prod.	28⅞	35
10	Can. & Dom. Sugar	22	20
30	Can. Packers B	30¼	34
5	Can. Celanese	28¼	60½
5	Can. Industries	49¾	40
10	Can. Pacific Rlwy.	13¼	33¾
25	Cockshutt Plow	12½	40½
60	Consol. Litho.	5¾	12½
5	Consol. Smelters	85	171½
30	Great Lakes Paper	14¾	18¼
25	Gypsum, Lime & A.	15⅝	29
15	Inter. Nickel	37.60	41¾
15	John Labatt	20	17½
20	Montreal Locomotive	18	16½
15	Nat. Steel Car	19¾	30
10	Powell River	49¾	86
20	Simpsons A	26½	33¾
20	Walker-Gooderham	26¾	57
	Preferred Stocks		
30	Can. Wire. Box A	23¾	34
5	Dom. Glass	35¼	32
25	Eddy Paper Co. A $1	22	24¾
50	McCabe Grain A	11	11⅝
25	Riverside Silk A	32½	28¼
30	D. Stuart Oil	16¼	18½
120	York Knit. Mills A	7¾	5¼
	Mining Stocks		
100	Teck-Hughes	3.90	2.30
5	McIntyre	64½	74
15	Kerr-Addison	16¼	18
10	Hudson Bay	45¾	63¼
	Bonds		
$1,100	Can., 3% 1959/62	104.92	97¾
	Cash		$75.79
	Curr. Market Value of Fund		$19,656.04
	Prospective Annual Income		$1,038.45
	Aver. Yield on Original $10,000		10.38%

*Bid price Sept. 14.

Niagara Power Cost Up 16%

Cost of Ontario Hydro's new Niagara power development will be $25 millions higher than the original estimate. This increase, to $182 millions from $157 millions, results from a decision to add a seventh 100,000-hp unit to the Sir Adam Beck-Niagara Generating Station No. 2.

Total capacity will be 700,000 hp. (Financial Post, Sept. 15). Three units will be in operation by 1954, the other four by 1955, it is now announced.

No. 1 camp on the Oakes Estate near Chippawa, Ont., is practically ready to be opened. This is one of three big camps built to accommodate workers on the big tunnel project.

Shawinigan and U.S. Firm Plan New Chemical Plant

MONTREAL (Staff)—Plans for establishment of a new chemical company to make formaldehyde and pentaerythritol were announced this week jointly by Shawinigan Chemicals Ltd. and Heyden Chemical Corp.

Shawinigan and the U. S. firm will be equal partners in the new enterprise. They have made application to incorporate a Canadian company and engineering plans for the plant are well advanced.

No site has been decided on definitely, although it will be in the Province of Quebec in the territority served by the Shawinigan Chemicals' parent, Shawinigan Water & Power Co. One possible location may be at Varennes, where Shawinigan owns about 300 acres and where Electric Reduction Co. of Canada recently started construction of a new $5 million phosphorus plant.

Go-ahead for the proposed Shawinigan-Heyden plant must first come from the Department of Defense Production at Ottawa.

Capacity of the plant now planned will be 30 million lb. of formaldehyde and 3 million lb. of pentaerythritol annually. Other products may be added later. A substantial part of the formaldehyde produced will go into the manufacture of the "penta" but there will also be formaldehyde output for sale. Shawinigan will supply power and probably one of the chemical raw materials.

"Penta," entirely an import proposition at the moment, is the base of new quick-drying weather-resistant paints, varnishes, resins and lacquers now used industrially and in protective coatings for warships, army tanks, jeeps, bombs and other defense uses. The 3 million lb. capacity is planned to fill present demand of Canadian manufacturers of paints, varnishes, lacquers and resins for this formaldehyde-based chemical, according to the statement issued by V. G. Bartram, president of Shawinigan Chemicals, and John P. Remensnyder, president of Heyden Chemical. The "penta" is said to increase hardness, provide better gloss, more lasting color and more resistance to water and alkali.

Shawinigan concentrates on industrial chemicals based on acetylene, Heyden on "fine" chemicals used in foods and cosmetics, medicinals, pharmaceuticals, antibiotics, plastics and resins, paint and varnish, and dyestuffs. Most Shawinigan plants are at Shawinigan Falls; Heyden has plants at five locations in the U. S. and at Windsor, Ont.

This joint venture with Heyden is the fifth such arrangement made by Shawinigan. Shawinigan Chemicals and British-American Oil Co. recently formed B.A.-Shawinigan Ltd. to manufacture chemicals at Montreal East from refinery gases. A wholly owned subsidiary, Shawinigan Products Corp. of New York, has a half interest in two U. S. firms—Midwest Carbide Corp. which produces calcium carbide at Keokuk, Iowa (other partner, National Cylinder Gas), and Shawinigan Resins Corp. which produces resins at Springfield, Mass. (other partner, Monsanto Chemical).

Shawinigan Chemicals also owns 49%, Union Carbide and Carbon Chemicals Corp. 51% of Canadian Resins & Chemicals Ltd. which makes vinyl resins, plasticizer and other products at Shawinigan Falls.

Offer $43 Million in Bonds For Canadian Chemical Co.

MONTREAL (Staff)—The first of two big new bond issues in connection with the large Canadian Chemical Co. plant now under construction near Edmonton, has already been sold. It consists of $31 millions in 4¾% first mortgage bonds series "A," dated Sept. 1, 1951 and due Sept. 1, 1969, sold by Nesbitt, Thomson & Co. and Wood, Gundy & Co. at 98.50 and accrued interest to yield 4.87%.

This will be followed, very shortly, by public offering of $12 millions in 5¼% general mortgage bonds series "A," dated Sept. 1, 1951 and due Sept. 1, 1971, at 99 and accrued interest to yield 5.33%. A large syndicate of investment dealers, headed by Nesbitt, Thomson & Co. and Wood, Gundy & Co. will make this second offering.

This is one of the largest pieces of corporate industrial financing ever done in Canada.

Sinking funds on the bonds provide for retiring $1,000,000 principal amount of the first mortgage issue in 1954, and $2,000,000 in each of the years 1955-68 inclusive, and $700,000 principal amount of the general mortgage issue in each of the years 1955-70 inclusive.

Each issue is redeemable, at the company's option, at premiums ranging downwards from 103 to par at maturity.

Estimated net proceeds of the two total $40,976,000, to go towards financing the huge new plant being built near Edmonton by Canadian Chemical Co. (a subsidiary of Celanese Corp. of America). Cost of this new development is broken down in the prospectus as follows: plant construction, $54.6 millions; interest during construction, $2.5 millions; working capital, $3.5 millions; and organization and preoperating expenses, $200,000.

Organization of Plant

Now well under way and scheduled to be in operation by spring of 1953, the new plant will have three processing sections. In the first, a variety of industrial organic chemicals will be turned out; in the second, acetic acid will be reacted with wood pulp to form cellulose acetate; in the third section, acetone and cellulose acetate will be used to manufacture acetate staple fibre and filament yarns.

Installed equipment will be able to spin 10 million lbs. of fibre and five million lbs. of yarns annually. The cellulose acetate section has been designed for a production rate of 25 million lbs. annually, most of this to be used in yarn and fibre manufacturing.

Principal raw materials of the chemical section are hydrocarbons (liquefied petroleum gases), to be supplied by the refineries of two major oil companies and an absorption plant of one of these companies. Acetic acid will be produced at the plant, while woodpulp will be supplied by Columbia Cellulose Co., another subsidiary of Celanese Corp. of America.

Contracts for sales of a substantial part of the new plant's production have been entered into with Celanese Corp. of America.

Under one of these, Celanese agrees to buy, or cause others to buy, up to 2,250,000 lb. of filament yarns and 4,500,000 lb. of staple fibre every half-year from start of production to Sept. 1, 1971. These obligations will be reduced both by the number of pounds sold to purchasers other than Celanese or designated by Celanese, and by the number used in the company's own manufacturing operations. Price (except in certain cases when operating income falls below $1,150,000 in a six-month period) will be the then market price for similar grades in Canadian markets, less 5%.

Under the second agreement, Celanese agrees to buy, or cause others to buy, up to 5,000,000 lb. of cellulose acetate every half-year from start of production to Sept. 1, 1971. Here, the obligation will be reduced by the number of pounds sold by the company to other than Celanese or its designated purchasers and by the number of pounds over 7,500,000 used by the company in its own manufacturing operations. Price is to be the average cost per pound to the company, calculated in a certain manner.

Estimates are that these contracts will result in a half-yearly net operating income (after depreciation but before bond interest and taxes) of at least $1,150,000, exclusive of any from the chemical section.

Based on production rates initially proposed and present market prices, it's stated, annual net operating income, based on full production, is estimated at $8,220,000. Earnings available for bond interest are estimated at 5.4 times before, 3.9 times after, depreciation, the combined annual interest requirements on the two bond issues.

Besides the new issues of bonds, Canadian Chemical Co. will have outstanding, on completion of present financing, $10,000,000 in 5% series $10 par preferred stock; and 1,000,000 no par value common shares. Celanese Corp. of America has subscribed and paid, through a subsidiary, $5,000,000 for 500,000 common shares. It has agreed, directly or through a subsidiary, to subscribe another $15,000,000 for 1,000,000 preferred shares at par and 500,000 common shares at $10 each.

The prospectus also notes that Canadian Chemical Co. has received a certificate of eligibility for capital cost allowance from the Department of Trade and Commerce, which exempts it from deferment of annual depreciation allowance. The project is proceeding "with the concurrence of the Department of Defense Production."

No Decision Yet Nova Scotia L&P Merger Proposal

MONTREAL (Staff) — Judgment has been reserved by the Nova Scotia Public Utilities Board on an application of Nova Scotia Light & Power Co. for permission to buy the assets of two of its wholly-owned subsidiaries, Avon River Power Co. and Chester Light & Power Co. No opposition to the merger plan was forthcoming at recent hearings conducted by the Board.

Numerous benefits expected to accrue from such a merger were outlined by company officials. For example, it was stated that if the three companies were maintained as separate systems, an elaborate metering system costing $150,000 would have to be installed. It was estimated that about $22,000 annually in operating expenses would be saved if the companies were merged.

It was also reported at the hearings that earnings of Avon River Power Co. were up about $100,000 in the first six months of the present year, against substantially lower increased earnings for both the parent company and Chester L & P. Increased rainfall was given credit for the higher Avon earnings, with surplus or secondary power supply utilized as a result of the interconnection with the steam generating system of Nova Scotia L & P.

We, as principals, offer:

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4¼% DEBENTURES

TO MATURE MAY 15, 1964 TO 1966

PRICE: TO YIELD 4.35%

TOWNSHIP OF EAST YORK WITH A POPULATION OF OVER 60,000 IS A RESIDENTIAL AND INDUSTRIAL AREA. IT DIRECTLY ABJOINS THE CITY OF TORONTO TO THE NORTH AND EAST BEING ABOUT THREE MILES FROM THE BUSINESS CENTRE.

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Chartered Accountant to head financial dept. of independent Western Ontario manufacturer. State full details, references and experience. Permanent position.

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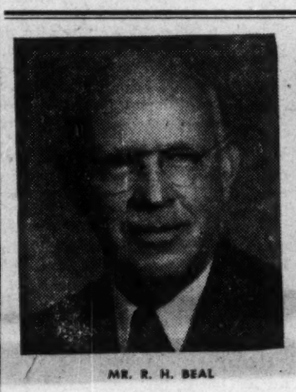
Wed.	1.05 21/32	Av.	$1.05 103/160



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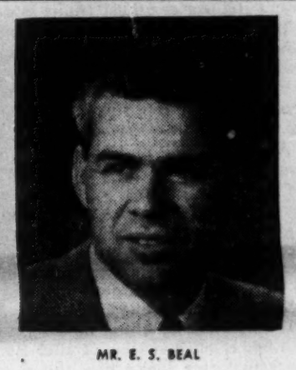
MR. R. C. DOERING

MR. J. C. MEEN



MR. E. S. BEAL

The Insurance Institute of Ontario, in conjunction with The University of Toronto, have announced that Mr. R. H. Beal has been awarded an Honorary Fellowship in the Insurance Institute (F.I.I.O.) in recognition of his contribution to the General Insurance Business during the past 28 years. Mr. Robert C. Doering, Mr. Ernest S. Beal and Mr. John C. Meen have all successfully completed four years' study with the Insurance Institute and University of Toronto, and have been awarded the degrees F.I.I.O. These degrees among the first to be awarded in Canada, indicate the interest the partners in the General Insurance Agency of Beal & Goodrow, Hamilton, Ontario, are taking to provide better Insurance Service to business firms and individuals. *

New Issue

$500,000

Union Acceptance Corporation Limited

(Incorporated under the laws of the Province of Ontario)

5¼% Sinking Fund Debentures, Series A

Carrying Stock Purchase Warrants

To be dated October 1st, 1951 — To mature October 1st, 1961

Principal and half-yearly interest (April 1st and October 1st) payable at the holder's option at any branch in Canada of the Company's Bankers, far northern branches excepted. Coupon Debentures in denominations of $500 and $1,000, registerable as to principal only. Redeemable, at the option of the Company, in whole or in part, at any time prior to maturity on thirty days' notice: if redeemed on or before April 1st, 1954 at 104; thereafter on or before October 1st, 1956 at 103; thereafter on or before April 1st, 1959 at 102 and thereafter prior to maturity at 101; in each case with accrued interest to the date of redemption.

Sinking Fund

There will be provided an annual Sinking Fund sufficient to retire $40,000 Debentures in each of the years 1952 to 1956 inclusive and $60,000 in each of the years 1957 to 1960 inclusive, which will provide for the retirement of all the Series A Debentures by maturity.

Stock Purchase Warrants

These Debentures will carry stock Purchase Warrants entitling the holders to purchase Common Shares from the Treasury of the Company, on or before October 1st, 1956, on the basis of ten such shares, for each $1,000 principal amount of Debentures, at a price of $5.00 per share. The Common Shares are listed on The Toronto Stock Exchange.

Trustee: The Canada Trust Company, Toronto

We, as principals, offer these Debentures, if, as and when issued and accepted by us and subject to the approval of Counsel, Messrs. Fennell, McLean & Davis, Toronto.

A prospectus will be furnished upon request.

Price: 100 and accrued interest

Debentures in definitive form will be available for delivery on or about October 1st, 1951.

BANKERS BOND CORPORATION LIMITED — W. C. PITFIELD & COMPANY LIMITED

More Important Than Ever

For the first time in 25 years Canadian tourist spending in other countries may equal or exceed foreign tourist spending here. That's the way it looks for 1951, says an Ottawa official.

If that proves true, and the main season is over now, then our hopes are dashed of the tourist business bringing us in a nice bundle of surplus American dollars. Recently in good years, when accounts were balanced, there has been a substanial excess in our favor. In some optimistic quarters, indeed, it was estimated that we could soon build up a trade that would net us at least $100 millions annually.

What has been overlooked, of course, has been the huge increase in Canadian foreign travel, up over a third for the first half of this year as compared with the same period in 1950. A few years ago, for every dollar the foreign tourist spent in Canada, only about 30 cents was spent by Canadian tourists in the United States and other places. Now we are spending dollar for dollar.

That change, however, does not mean that the tourist trade is no longer important. Actually if Canadians are to travel freely abroad, it is more important than ever that we get more foreign tourists here. The money Canadians spend in the United States and other places must be balanced by foreign spending in Canada, and the simplest and most sensible way of getting this is to continue to boost tourist business here.

We haven't been making the progress we expected. This year, it is true, the number of visitors is up, but spending is down. This means shorter stays in Canada. For a country as big and roomy as ours and so close to big U. S. centres of population, that is not good enough.

We should be attracting many thousands more of free spending Americans each year. But we won't do this by trying to pretend that Canada is a cheap imitation of the United States. As Resources Minister Winters puts it "Americans don't come here expecting to feel at home. What they want is to feel away from home."

As Dangerous as Bombs

"Inflation is as dangerous a weapon as bombs in the hands of an aggressor," External Affairs Minister declared on the eve of the NATO Conference in Ottawa.

It has taken a long while for many statesmen to realize that fundamental truth. And yet there have been plenty of fearful examples in the last 35 years.

Almost always inflation preceded impoverishment in any country it has smitten and impoverishment opens the door to Communism, Facism, Nazism and chaos. We saw this happen in Russia, in Germany, in Italy, in Spain and in China. We saw it nearly happen in France and in other countries.

When inflation wipes out his savings and threatens his living standards, the average man becomes an easy prey to those who advocate desperate measures, no matter how impossible of achievement or at what price. The very substantial recovery made in Western Europe since the war is threatened by inflation. The countries there can hardly be expected to defend themselves unless they have something tangible to defend.

What Will Houses Cost?

Most economists agree that when the supply of housing catches up and passes the demand, present high prices must begin to decline

This takes time, however, and Ontario Liberal leader Walter Thomson is not a man who wants to wait. In a recent speech in Orillia, he pledged his party to build houses, if returned to power, even if this meant a financial loss to the province. In other words, regardless of cost.

Actually, house building needn't cost the taxpayers in Ontario or any other province a dime. The need can be met by operative builders if they are given an opportunity to do so. Present major obstacles are the Federal Government's curtailment of mortagage credit, which makes down payments high, and delay by municipal and provincial governments in providing more serviced land and school facilities.

It's trite but true that housing, like food and clothing, is an essential of life. Barring a real emergency this looks like the wrong time to throttle it when the influx of babies, immigrants and defense workers into our urban centres has never been so great. But a government subsidy, as proposed by Mr. Thompson, is unnecessary and foolish. It wouldn't build one more house than responsible enterprise would build without dipping into public funds.

Why We Must Arm

"Whether or not there is a constitutional veto in the charter of the United Nations, there is, in fact, only one way to restrain a would-be aggressor if that aggressor is a world power. That is by being prepared, if the worst comes to the worst, to use force."

That blunt, commonsense statement did not come from some militant-minded general, but from a man who regards war as a calamity and an evil. It was made by Prime Minister St. Laurent at the recent annual dinner of the Canadian Bar Association. As a lawyer a statesman and a realist, Mr. St. Laurent knows that guarantees, no matter how binding and sacred, are not enough in this day and age to restrain a power bent on conquest. Only the certain threat of superior force can do that.

"If we are to establish the rule of law among nations," declared Mr. St. Laurent, "we must have sufficient force to uphold the law."

Some Canadians, as well as a great many people in other democratic countries are only beginning to discover that hard truth. To them, Korea came as a rude shock. If they continue to be shocked, there is hope that the free world will have learned its lesson and will continue to prepare.

The great danger is that we may forget, especially if some patched-up peace in Korea ends the active aggression in that particular sphere. It is going to be difficult and perhaps a thankless job to keep a democratic country like Canada on the alert. We have no natural liking for big armies, navies and air forces and all the trappings that go with them. We would much rather be left alone to concentrate on our own development. Unfortunately, that is a luxury no country can afford in these critical times.

Irritations at the Border

Crossing the border last week, a Toronto man declared a couple of small gifts he was bringing to his children. To the American price the customs man added 5½%, the prevailing rate on U.S. currency, and based the duty on the total. When the Canadian proffered an American $5 bill in payment, however, he was refused any premium on the grounds that the rate fluctuated and the customs people could only accept it at par with Canadian money.

Naturally this man was irritated and it didn't help matters when he could get no explanation. To him it seemed incredible that the customs collector knew all about adding exchange when computing duty but seemed to know nothing about any premium when the transaction was the other way. So this chap was squeezed both ways. He had to pay extra on his purchases but got nothing extra for his American money which had cost him a premium.

This is a trivial matter, of course, but it doesn't add to the pleasures of border crossing nor to the popularity of those officials who greet you with, "Have you anything to declare?"

The official explanation:

The customs people are within their rights in refusing to pay any premium on foreign money. Legally only the banks are required to do that. To pay such premiums, now that exchange rates fluctuate, would require setting up special machinery. That would hardly be justified when at most only a few thousand dollars annually might be involved. Very few Canadians, it is pointed out, offer American money to pay duties at the border, and usually only a few cents are involved in any case.

The customs people, however, would have earned a friend instead of a critic had they explained that they were not authorized or equipped to pay any premiums on U.S. funds and had suggested courteously that this returning Canadian keep his U.S. bill and use a Canadian one instead.

It's All or Nothing

The Financial Post does not always find itself in agreement with President Herb Hannam of the Canadian Federation of Agriculture. But it certainly does agree with his blunt warning concerning price controls which he made in a recent Orillia address.

Mr. Hannam gave notice that no system of partial price control would get the support of organized agriculture. Only a blanket measure covering prices, wages and everything else, he pointed out, would be fair, or in case of a real emergency, justified.

Said Mr. Hannam:

"There's considerable pressure for price controls on food. Since everybody's wage or income, or fee, enters into somebody else's cost of production or cost of living, or both, that request, if acted upon, would create a hardship on the farm family. It would make the farmer the goat for an inflation era.

"If and when the time comes that the need for price control becomes imperative, then price controls should apply on all prices, wages and profits. The farmer does not ask for himself to be exempt and others to be controlled; no one in any other industry or profession is justified in asking for controls on others, leaving himself free."

There are a lot of people who are shouting for some form of control but it is always for the other fellow and his products, not their own.

That sort of thing is not only ridiculous but unfair. As we should have learned from our experiences during the war, there can be no half measures about control. It is all or nothing. It means an army of enforcement officials. It means rationing, line-ups, priorities and black markets. Control means a complete upset of our whole economy when we start and another upset when we are through with it. Only in the gravest sort of emergency would the government be justified in taking this step.

Business Brains for Government

How to get enough good men for government —especially in an emergency?

An experienced U.S. civil servant who has just completed a special study of the subject comes up with an interesting idea in the New York Times Magazine.

He wants a civilian reserve corps of business executives of proven competence and with experience in government service who would make themselves available in emergency to do critical jobs in public administration. Some would be those who served in the last war. For the future, this man (John J. Carson) says this corps should be fed by taking top grade university graduates, giving them some practical active duty or experience in government service, and keeping them ear-marked for emergency service when they go into private industry.

Whether we like it or not, government is in business—up to its neck. Government is into a great number of things and it deals with problems of such magnitude that nothing but the best available talent is good enough.

During World War II Canada had outstanding service from scores of men whose capacities private business rates very highly, and whose records attest their merit.

But a recent survey revealed that, even now, it would be quite impossible to reassemble even half the dollar-a-year-man team Canada had in the early 1940's.

According to Carson, for every business or professional expert that does accept a special invitation to Washington, there are four who refuse. Thirty turned down the Price Stabilization job before roly-poly Mike Di Salle took it. Important executive jobs in Defense, Interior, State and Commerce went begging for months.

There are many reasons why the able business and professional man shuns government service—especially in the U.S. where character assassination has become a major occupation of certain politicians and columnists.

Pay for top men is relatively low both in the United States and Canada. The fact that $15,000 or $20,000 looks big to the village barber is not a good reason for a country depriving itself of outstanding competence.

With government the biggest business in the country and with Parliament constantly declining in usefulness as a check on administrative polices, the citizens' best hope for efficient and wise use of his tax money is the competence and integrity of the chief administrators. Private business will be wise indeed to co-operate in every way in filling the demand.

Napier Moore's Scratch Pad

SEVERAL OF OUR BUSINESS FRIENDS, tenants in the Bank of Nova Scotia Building, Toronto, have been approached by young acquaintances for assistance in getting them invitations to an event which will not take place and was never contemplated.

The Bank of Nova Scotia has sent out invitations for the formal opening of its handsome new building on September 25, when there will be a reception in the morning and a luncheon. But in some mysterious way a rumor got around that in addition and, for the younger generation, the Bank was going to hold a dance on the marble floor of the great banking hall and that it would be quite a posh affair. Hence the enquiries.

Well, Junior, it just isn't so.

Incidentally, in the new bank tall arrangements of fresh flowers are displayed daily and music is softly piped through the imposing chamber at certain times. We are told that during the lunch hours queues of downtown office employees are to be seen making deposits to the soothing strains of a Strauss waltz.

* * *

WHICH REMINDS US that a man we know who used to be an official of the Bank of England told us a new one about the late Montague Norman, former Governor of that venerable and august institution. During the wartime bombing of London, a large, deep crater was suddenly created not far from the bank. Norman, who was a picturesque figure—pointed beard, flowing tie, large black slouch hat and capelike coat—went out and gazed long and earnestly into the cavity. A nearby policeman watched his absorbed interest for some time. Then he strolled over. Said the bobby, "Now what might you do in the way of occupation?" Replied the Governor of the Bank of England, "I work in a bank." "Well," said the bobby, "suppose you buzz off and do a spot of banking."

* * *

WITH REGARD TO DEVASTATION of another sort, we aren't going to give anybody a chance to say, "That's a good idea, but why didn't you let us know about it earlier?" Hallowe'en isn't very far away at that.

This is what the Mayor of Moose Jaw, Louis H. Lewry, did last year. He got out an honor certificate which, with the co-operation of the city's school board, was distributed to all pupils during the week before October 31.

Bearing the seal of the city, the certificate is a pledge of citizenship. It bears the name and address of the pupil and the name of the school, and the signature of the mayor. The holder of it is pledged "on his (her) honor as a Citizen of Moose Jaw not to deface, mutilate or destroy property or perform any harmful act to others during the Hallowe'en season."

Last year the amount of harm and damage usually done on Hallowe'en was materially reduced.

* * *

FORD GRAPHIC, a newspaper for the employees of Ford Motor Company of Canada, records the extraordinary experience of one Don Cuerier, of the company's door assembly department at Windsor. Mr. Cuerier, having had difficulty with his lunch because of a new denture, tucked the latter into his lunch box, now empty except for a milk bottle, and shoved the box under the line. Maybe he shoved it a bit too far. At all events the box, crushed flat, turned up at the other end of the line. Next there emerged the milk bottle—unbroken. Sympathetic fellow-workers immediately started taking side plates off the line. And along came the denture with not a tooth loose.

* * *

FOOTBALL can be a hazardous game. Drug Merchandising says that if the pharmacist hears of a schoolboard or anyone else about to use barnyard manure to fertilize a football field he should strongly advise against it. For the American Medical Association has declared that "in view of the high incidence of tetanus following contamination of skin injuries with the spores of Clostridium tetani contained in manure its use is definitely contraindicated."

* * *

AWARE OF OUR FREQUENT diatribes on the subject of gobbledegook, the language employed by officialdom, a correspondent sends us a copy of what he says are Royal Navy instructions on how to store torpedo war heads:

"It is necessary for technical reasons that these warheads should be stored with the top at bottom and the bottom at top. In order that there may be no doubt as to which is the top and which is the bottom for storage purposes, it will be seen that the bottom of each head had been labeled with the word TOP."

It would be simpler to lay the thing on its side were it not for the fact that it's roughly cone-shaped and instructions as to which side might be rather complicated.

Stop Me If—

The couple furnished a 12-room house with premiums redeemed from soap coupons. They showed a friend around, proudly commenting on how many coupons each chair, table or carpet "cost."

At the end of the tour the visitor said: "But you've shown me only five of the twelve rooms; what about the other seven?"

"Oh, those," shrugged the householder. "That's where we keep the soap."

* * *

"Are you in favor of long engagements, Vi?"

"Not at my age, dear. I might run out of ammunition."

Post Scripts

He's Experienced

It would be hard to find in Canada a man with better qualifications than Reginald George (Nik) Cavell to head the new federal "alphabetic" agency: "International Economic and Technical Co-operation Division" of the Department of Trade and Commerce.

Boiled down, Nik Cavell's new job is to administer the Government's new $25 million Colombo plan grant, and to advise Ottawa generally on how, when and where to make its capital commitments in south and southeast Asia. He'll also supervise the technical training and guidance program now under way as part of the overall scheme.

MR. CAVELL

Only 16 of Nik Cavell's 57 years have been spent in Canada. But few native-born Canadians are as intensely devoted to Canada and its future development. The rest of his life was spent in England (where he was born); in India, where he served as a cavalry officer for 13 years; and in London, Belgium, China and Japan where he served the world-wide communication equipment firm which he has represented in Canada since 1935.

Cavell's parents wanted him to enter the Church. As a next best "career," he headed for India at 19, just prior to the outbreak of World War I. With his regiment (26th Cavalry) he was sent to Mesopotamia, promoted in the field, wounded and returned to India. He was seconded for a variety of jobs—magistrate, land settlement officer in the Punjab, the Moplah rebellion, famine and plague duty, and finally to head the unique 10,000-acre remount station at Mona, in the Punjab, where there were some 7,000 head of livestock.

He was invalided out of the Army in 1926 for malaria fever; went sheep ranching in South Africa. To fill in time while his flocks were growing their annual crop of wool, he did free-lance journalism for big Capetown papers. In 1928 he returned to Europe and joined Sir Alexander Roger, London, head of the world-wide communications system known as Automatic Electric. There followed rounds of duty in London, Belgium, China and Japan before taking charge of the company's manufacturing interests in Canada in 1935.

Cavell thinks of himself as a 100% Canadian; wants nothing more than to live and work in Canada for the rest of his days. Because of his strong feelings for this country he has carried active responsibilities with the Canadian Institute of International Affairs (chairman of the national executive since 1945), and the Canada Foundation. Temporarily, he has severed these and his business connections to devote himself to the new Colombo plan program. His family will stay in Toronto but he will be mostly in Ottawa where he has got himself a small apartment to avoid being pushed out of the Chateau periodically (as is now happening because of NATO).

Incidentally, Automatic Electric is the company whose dial phones you'll see in all four western provinces and all through the northern parts of Ontario. The company has world-wide interests, having pioneered the dial phone system as well as many other innovations in modern telephonic communications.

* * *

Bar Association Head

When the Canadian Bar Association convenes its annual meeting in Vancouver, next year, it will be in the adopted home town of its newly elected president, Brigadier-General John Arthur Clark, K.C.

Over six feet tall and of athletic build, President Clark has had a more than usually active life as lawyer, soldier and member of Parliament.

His election as president of the Bar Association climaxes long and active service with that body. He served for many years on the executive committee and last year as vice-president. He is especially proud of the fact that British Columbia branch of the association has a 100% membership among the lawyers of that province.

Born in Dundas, Ont., 65 years ago, Clark was educated at the University of Toronto, and Osgoode Hall, Toronto. From the latter he graduated in 1909. He immediately went to British Columbia and was admitted to the bar there in 1910.

In 1914 he married Jean Abercrombie MacGillivray, a second generation British Columbian. Mrs. Clark's father was a contractor and built the original water tunnel under the First Narrows in Vancouver Harbour.

Always interested in military affairs Clark joined the Wentworth Regiment when only 17, later transferring to the 72nd Seaforth Highlanders of Vancouver. When the Great War broke out he volunteered. He went to France in 1916 in command of the old 72nd Battalion and saw service in most of the major engagements until the end of the war. He was mentioned in dispatches five times and awarded the C.M.G. and D.S.O. with two bars and came home a brigadier-general. He still retains his military connections and is now honorary-Lieutenant-Colonel of the Seaforth Highlanders. With the latter his two sons fought in World War II, the older one commanding the Seaforths in the field. His son-in-law, Lt.-Col. A. W. Mercer is in command of the regiment today.

The oldest son has followed his father into the legal profession and is a partner. The younger son is a broker. The two Clark daughters are both married to Vancouver lawyers.

Clark was appointed K. C. in 1932 and is a director of several financial, mining and business concerns. Interested in politics, he was a Conservative member of parliament for Vancouver-Burrard constituency 1921 to 1930. He is fond of golf except when he has to carry his own clubs around.

* * *

Second in 50 Years

Stuart Jones Vogan is the second man to occupy the position of president of Willson Stationery Co. of Winnipeg since the founding of the firm over half a century ago. His predecessor, of course, was Harry T. Willson, who started the business in 1900 and continued as its active head until his death a few months ago.

MR. VOGAN

The business is one of the examples of western enterprises which started as a personal one and in a small way. Today it is one of the largest of its line. It covers the territory from Port Arthur to Vancouver, does business through 14 stores, has eight factories, and operates through 16 separate companies.

This rather complex organization requires full time of its chief executive officer and leaves Mr. Vogan with little time for anything else. His connection with the business dates from 1928.

Vogan had just been discharged from the Royal Air Force before he came west in 1919. Born on a farm not far from Ottawa, he was only 16 when World War I started and it was well on before he could be accepted in the air service. With the Willson company he started as a salesman in the office furniture and equipment department, later becoming purchasing agent and then superintendent of factories.

What Others Are Saying

Editorial of the Week

No Place For Amateurs

Regina Leader-Post

An unusually large number of news stories recently have all pointed up the same warning—that Canada's north country is no place for amateur flyers. The northland is vast in area, easy to get lost in, and when gasoline runs out, there are no friendly airports to put down on. Even for men whose job it is to fly the north country, it is a dangerous place.

Whenever a plane is reported down in the north, no effort is spared to find it, because human lives are at stake. What these search efforts cost the Canadian taxpayer in the course of a year hasn't been estimated, but it must run into a large amount of money. No one begrudges this expense if it results in saving lives, but it would be infinitely more satisfactory all around, if these lives were not placed in jeopardy in the first place.

For searchers too, there are dangers. There is always the possibility that they may be forced down and lost themselves.

It would result in a considerable saving in human lives, worry and expense if amateur flyers stayed out of the north.

Other People's Views

GRANDPA MIGHT not believe it but, says the **Windsor Star** "a generation is growing up on Ontario farms many of whom don't know how to milk a cow. There's no reason why it should, as milking machines do the job for it.".

A PROVINCE can't have its views and needs adequately expressed at Ottawa without a Member in the Cabinet thinks the **Charlottetown Guardian.** "Whatever the explanation, the fact remains that the bulk of decisions are made by the ministry, and a province which remains without Cabinet representation—such as Prince Edward Island at the present time—is at a most serious disadvantage."

THE FRONTIER has moved on, sighs the **Peace River (Alta.) Record-Gazette.** "Time was when the Peace River country was thought of as the north, but passing years and development have awakened people to the fact that there is a more distant north which is rich in minerals and which will make a definite contribution to the nation's economy."

INFLATION is driving us into slavery, suggests the **Vancouver Sun.** "Modern industrial society is too complex in its economics to be mastered by the mass of men. To take merely one aspect of it —how is a man to save for old age when, for all he knows, the dollar saved today may be worth only a nickel 20 years hence? That's why the average man is driven helplessly to the state for succor. It's a dangerous drive, as the wise and farsighted know. It leads to a form of slavery."

CAN BE WASTE in military spending, too, warns the **Windsor Star.** "There is a disposition on the part of military authorities, in wartime or in a preparedness period, to take advantage of the times to get barracks or other establishments which they wouldn't have a chance of getting in normal times. Essential military expenditures cannot be criticized, but every precaution should be taken to ensure only essential expenditures are made. Wasteful military spending is just as bad as wasteful civil spending."

COST OF LIVING in Canada has been higher than in the United States for a long time, declares the **Ottawa Journal:** "a fact which the Bank of Canada could have discovered long ago if Messrs. Towers, Coyne and Rasminsky had paid less attention to misleading figures in our cost-of-living index and paid a few visits to the U. S. The actual fact is that on the basis of reasonable North American standards the cost of living in Canada has been higher than in the U. S. for a long time. Higher U. S. prices existed only in the propaganda of those seeking to excuse Government failure to deal with higher Canadian prices."

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September 22, 1951

Where Does Canada Count In World Affairs?

The Question: Has Canada's influence in world affairs kept pace with her reputation, growing strength and unfolding future?

Representative Canadians who answered The Financial Post question this week were almost evenly divided in their opinions as to the extent of Canada's influence in world affairs.

Some felt that it had kept pace with her growing strength and possibilities. Others were not so positive. Small population and consequently small contribution in men and arms to world peace efforts were detrimental to our influence, they contended.

A major factor considered in several replies was Canada's position in relation to the United Kingdom, where political policy has been made in the past, and to the United States, with its economic influence on Canada.

FRED S. AUGER, Publisher, The Tribune, Winnipeg.

Canada has followed a fortunate course in having preceded its entry into world politics by building a sound foundation of political and economic stability at home. For this reason world respect for Canada's achievements within has far surpassed world recognition of its influence abroad. This will remain so until our population has multiplied. Western Canada alone needs three million new citizens right away. Nothing about Canada equals in importance this need. In short, there is no substitute for people.

* * *

LOUIS P. BEAUBIEN, Flood & Co., Montreal.

Canada's financial growth in the last 10 years is a story which has no parallel, at least not in the modern world. Her territory, which covers half a continent, is barely explored yet. It unfolds a glittering array of base metals; precious metals and reserves of oil and gas which have simply amazed the rest of the world. Canada's influence in world affairs has not kept pace with her leap into economic prominence, for her energies have all been concentrated on her own development. But her influence will grow. It is backed by the greatest of countries and a sober energetic people.

* * *

N. R. CRAWFORD, President, Dow Chemical of Canada Ltd., Toronto.

Decidedly so, in my opinion. The pace has significantly accelerated since 1945 with the westward shift of world power and Canada has kept step with it under Mr. St. Laurent. His personal participation and leadership in United Nations affairs enhanced Canada's prestige notably and Mr. Pearson and his associates are carrying on admirably.

In addition to keeping pace at the diplomatic level, Canada has also kept pace in world commerce, in spite of many hurdles, thanks to the broad views and organizational expansion of the Department of Trade and Commerce under Mr. Howe.

And last, but not least, Canadian citizens seem to be in complete sympathy with the progress and giving it wholehearted support.

* * *

GEORGE E. HOWARD, Mayor, City of Saint John, N.B.

My answer is yes. We must realize that, although we have a country of enormous wealth and resources, we have only 14 million people, and that we are very youthful compared with some other countries with whom we rank highly in world influence. With these factors in mind, I believe our influence has grown commensurate to our reputation, growing strength and unfolding future.

* * *

M. C. LOWE, President, Canadian Allis-Chalmers Ltd., Lachine, Que.

During the past 10 years Canada has exerted more influence in world affairs than would normally be expected from a country of her population and size. Canada has been most fortunate in her choice of men to represent her in world organization and conferences such as the United Nations, Japanese Peace Treaty Conference, etc. Men such as Lester B. Pearson, C. D. Howe, and others have been largely responsible for, Canada's growing strength and indications are she will continue to have her influence fully recognized in the efforts now being made toward world peace.

* * *

CARL A. MELVIN, President, Melvin Agencies Ltd., Winnipeg.

Canada's influence in world affairs was shackled during the King regime by the pussyfooting approach of the prime minister who insisted on keeping external affairs under his control. But he must be given good marks for liaison work between Britain and United States.

Since the emergence of St. Laurent and Lester Pearson, Canada's stature internationally has tended to catch up with the pace of her growing strength and unfolding future. This may be seen partly in St. Laurent's leadership in conception of North Atlantic Treaty Organization and Pearson's great reputation in the United States where he combined clear thinking, plain talking and conciliatory approach. It is an encouraging sign that Canada is learning to speak for herself and occasionally talk back to the United States and Britain. This gives her more respect internationally while maintaining influence as go-between with Britain and the United States.

* * *

JOHN MILLEDGE, Milledge, Stanbury & Co., Halifax.

Yes. But our influence in world affairs is more subtle than that of the major powers. So subtle that even Canadians at times fail to appreciate it. The enormity of the States tends to overwhelm us and we cannot wait to grow up. Canada is the happy medium between the liberalism of the U. S. and the conservatism of England and we are of such importance that these two countries bid for us from both sides. However, we are not a pawn of a large nation. It is good business to have some foreign capital for our development. Our identity is not being lost but magnified and the prestige of Canadians here and on foreign soil was never better.

* * *

E. A. NANTON, vice-president, Hammond & Nanton Ltd., Winnipeg, and president, Winnipeg Stock Exchange.

Because of immense resources and large production of raw materials and finished products, Canada has an important influence in the sphere of world economics. In the present state of the world, however, military strength counts greatly towards a country's influence. Because of a small population and aversion to peacetime conscription, Canada's military strength is relatively small. Thus, she is unable to meet adequately her international obligations and this reduces her political influence. Should her military strength measure up to that of her economy, Canada would exercise a more decisive influence on world affairs.

* * *

A. M. OSWALD, National Trust Co., Winnipeg, and president, Empire Club of Manitoba.

It is impossible to evaluate the force of the Canadian diplomatic effort in world affairs. It is still merged with those of the U.S. and the U.K. and only occasionally is it possible to identify a distinctly Canadian achievement. I doubt if the influence can be measured by any standard other than economic and military potential, so that in the last analysis influence and strength must run parallel.

* * *

A. H. PARADIS, associated with several major power, mining and financial companies, Montreal.

The extent of Canada's participation in the last war is a fundamental cause for this country's broader importance in world affairs. The tremendous volume of Canada's production and the resulting impact on world markets have undoubtedly provided this country with an influence in world affairs beyond its reputation and even beyond its growth potential. The influence itself of foreign capital for domestic investment has caused greater consideration of Canada's international attitude. This country's willing and widespread participation in such international organizations as the United Nations monetary, raw material and other economic groups again has enhanced its influence.

* * *

A. P. PATERSON, former Minister of Education, Saint John, N.B.

Canada was created in 1867 for certain objects and considering the undeveloped wealth in British North America and the results of two world wars, Canada has established a reputation for mismanagement of internal affairs. Canada in world affairs seems to be similar to an inexperienced person who "has suddenly gotten rich" and Canada has tried to establish a reputation based upon expenditures and gifts of money for other nations including economic development which is extremely centralized and a part of and substantially contributing to the economy of its southern neighbor. Actions based upon unsound foundations are bound to fail.

* * *

D. S. PENTON, Headmaster, Lower Canada College, Montreal.

Canada's influence in world affairs will be commensurate with her reputation for integrity and good sense in international affairs. She has a peculiar place between the two great Anglo-Saxon powers and her reputation will depend on her ability to hold her own, allowing her judgment to be warped neither by economic ties with the U.S. nor sentimental ties to the Old Country.

* * *

MAJ.-GENL. G. R. PEARKES, M.P. for Nanaimo, B.C.

Canada's development has been slow but steady, starting in infancy with protection from the mother country. Now of age, Canada is participating in world affairs with a strong voice, making her own decisions. She can no longer hide behind the skirts of other countries. Instead she must make herself heard. She has done this amongst Atlantic Pact countries with some success. But she has failed to seize opportunities in the Pacific, having allowed the United States to initiate the pact with Australia and New Zealand omitting Canada.

* * *

ELMORE PHILPOTT, Speaker and Columnist, Vancouver.

Canada's international influence has increased even more than productive capacity—except in relation to the U. S. But Canada is more really a colony of the U. S. than she was in the century before Mackenzie King clinched victory in the long fight against London control. The decisions which most affect us are made in the U. S. for the U. S. We have the worst form of taxation without representation, payable in life and limb of our own sons, if the U. S.-USSR struggle reaches the climax of every other similar struggle of the past. The remedy is outright federation of all western democracies, or real world government in which we would win democratic responsible government where it means most—at top level, where wars are made, and where peace can be kept, under law.

* * *

Dr. D. S. WOODS, Dean of Education, University of Manitoba, Winnipeg.

I would say that Canada in world affairs, influence, having regard to her size of population and her wealth, has made rapid progress toward a position in keeping with her advance in other regards. Her greatest handicap in the matter has been due, first to failure as a nation as yet to be wholeheartedly united on a foreign policy; second, to dependence over a long period upon British policy in world affairs.

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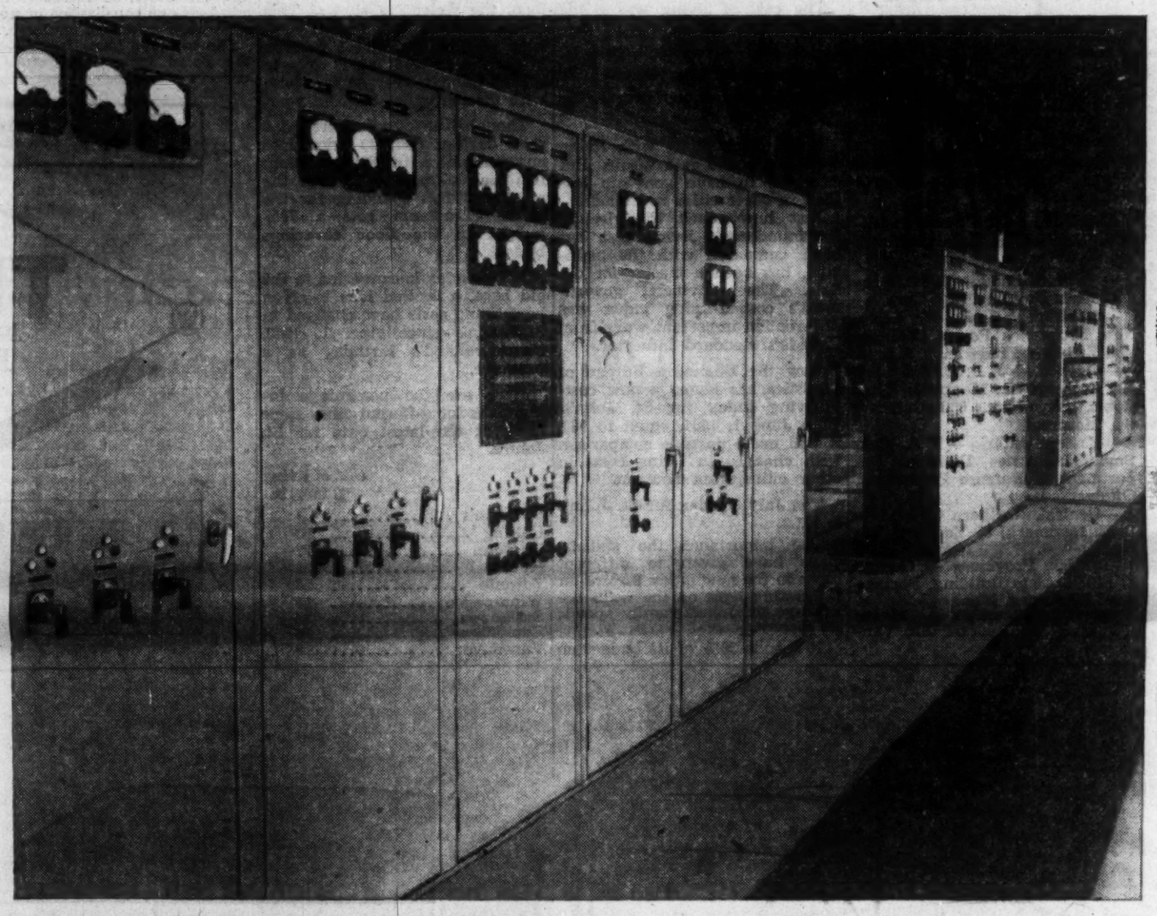

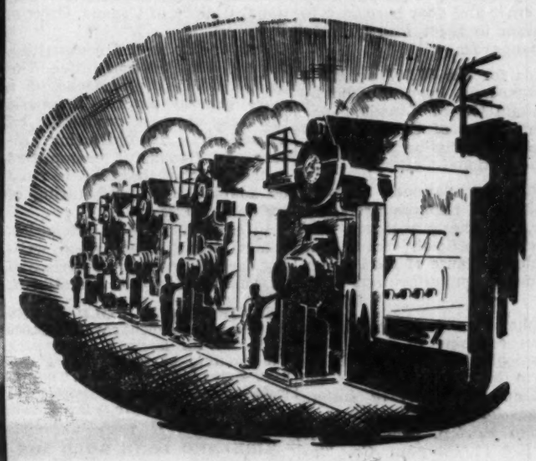

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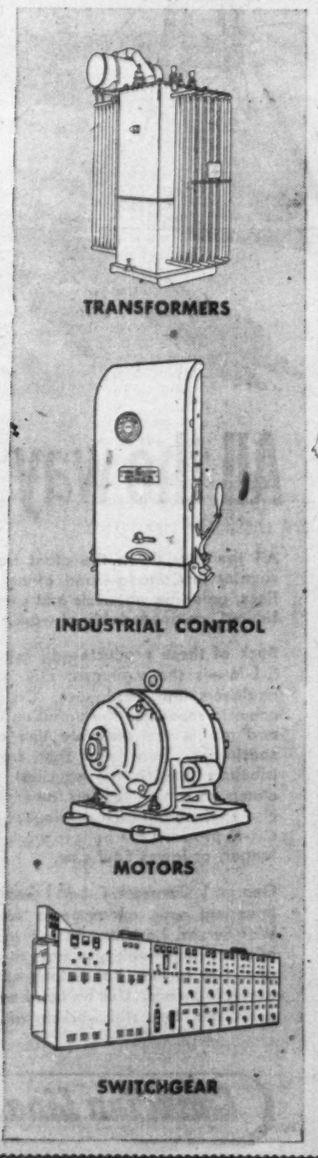

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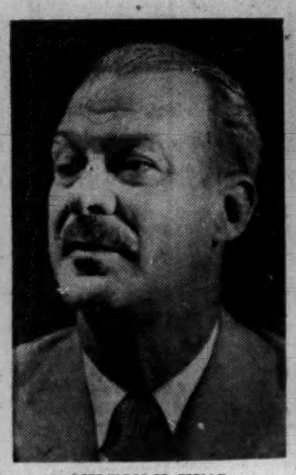
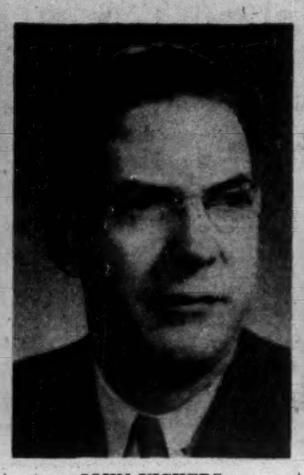


MILTON H. KING
Victoria

Mr. King is provincial general insurance agent for two large insurance groups as well as carrying on his own general real estate, mortgage and property management business. Born in Pelham, Ga., he attended high school in DeLand, Fla., and the University of North Carolina. On graduation he joined a Wall St. brokerage firm in New York and later acted as a credit manager for a finance corporation. He came to Canada in 1941.

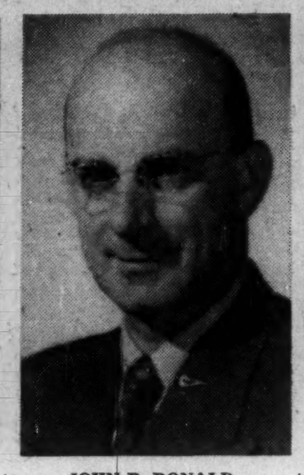


JOHN VICKERS
Vancouver

Mr. Vickers has been on the executive of the Vancouver Community Chest for many years and was made president in 1947 of the new organization—the Community Chest and Council of Greater Vancouver. In the war years he served in the Reserve Army and was active in victory loans. He became general sales manager of Sidney Roofing & Paper Co. in 1948. He is a member of the Vancouver Gyro Club.

GEORGE DRAFFIN
Lethbridge

George Draffin has been active in welfare work for some time. He is a former chairman of the Kinsmen tuberculosis seal committee; chairman, 1950-51 for the Kiwanis March of Dimes for Lethbridge and district; a member of the YMCA. He is also a director of the Junior Hockey Association and a director of the Kiwanis Club after 19 years as a member and president in 1946. He is a graduate of the Saskatchewan College of Pharmacy (1929).

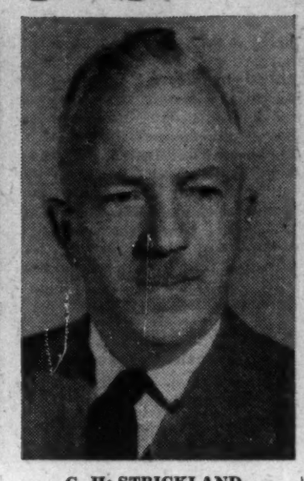


JOHN R. DONALD
Regina

A Chartered Life Underwriter and Saskatchewan manager for the Prudential Insurance Co. John R. Donald is active in community life, a member of the Lion's Club, on the provincial executive of the Canadian Cancer Society, active in CNIB work and is a past president of the Life Managers' Association. Born in Renfrew, Scotland, he came to Canada as a civil engineer, joining the CNR in British Columbia and Prudential Insurance in 1928 in Vancouver.

V. G. ELLIS
Saskatoon

Mr. Ellis saw 15 years' service with the Chest in Winnipeg, Regina and Calgary. He is also a Kiwanian, director of the Saskatoon Club, member of the industrial committee of the Board of Trade and a director and treasurer of the Saskatoon Petroleum Club. Manager of the Royal Bank in Saskatoon, he started with the bank in his home city, Winnipeg, in 1924. He is married, has two sons.



G. H. STRICKLAND
Community Fund of Windsor

Mr. Strickland has been with the fund since its inception four years ago. Superintendent of the Windsor Utilities Commission, he is chairman of the Canadian section, American Waterworks Association. He is also on the CNIB advisory board and past president of the Lions Club. Born in Waterloo, he was educated at Kitchener and Waterloo and studied engineering at the universities of Toronto, Michigan, Wayne and Ohio State. He is a World War I Canadian Engineers veteran.

BOB STEINER
Hamilton

Mr. Steiner is chairman of Hamilton Community Chest and Canada Savings campaigns this fall. He has also been prominent in fund campaigns for the YMCA, Hamilton College, Toronto Sick Children's Hospital, Salvation Army, St. John's Anglican Building fund and the victory loan drives. Born and educated in Toronto (B. Comm), he has been an investment dealer with A. E. Ames & Co. since graduation from University of Toronto.

PAUL GIROUARD
Federation of French Charities (Montreal)

Mr. Girouard is public relations director of Volcano Ltd. Born in St. Hyacinthe, he attended Sacred Heart College (St. Hyacinthe), Mont St. Louis and Ecole des Hautes Commerciales (Montreal). In World War II he served as a lieutenant in the Maisonneuve Regiment. At 33 he is the youngest general chairman in the history of this welfare group. He is, however, a Federation veteran with 15 years' service and Parish Districts chairman for 1951.

Think You're Good at Design? Here's $7,000 Chance to Prove It

To stimulate the greater use of trained Canadian talent in the designing of manufactured products, the National Industrial Design Committee is sponsoring a competition for designs for a chair or writing desk in wood and a chair and door hardware in aluminum to meet mass-production standards.

Funds for the $7,000 available in prizes, have been donated by Aluminum Co. of Canada. Aluminum Co. of Canada, Lumbermen's Association of Canada and the National Gallery.

NIDC is a national advisory committee of manufacturers, retailers, designers, research and educational officials, formed to promote the cause of good design in Canadian manufactured products.

Emphasis in judging will be laid on economy of production, mechanical efficiency, suitability of form to the function of the object and simplicity of design.

Judges for the competition are: G. Allan Burton, general manager, Robert Simpson Co. Toronto; Prof. E. A. Allcut, University of Toronto; J. B. Parkin, president, Association of Canadian Industrial Designers, Toronto; George Nelson, industrial designer and architect, New York.

Closing date is Jan. 15, 1952. Detailed rules of the competition may be received from D. W. Buchanan, secretary, National Industrial Design Committee, National Gallery of Canada, Ottawa, Ont.

This is the second competition sponsored by the committee. The first, held last year, was of a more general nature. Emphasis this year on mass production by available manufacturing processes in Canada is exemplified in the fact that chair entries must be adapted to manufacturing of 5,000 units a year.

In each of the four categories: chairs, aluminum and wood, writing desk, door hardware prizes of $1,000, $500 and $250 are offered.

CENTREMAQUE GOLD MINES has received payment covering 58,000 shares at 15c a share, comprising underwriting of 50,000 shares and 8,000 shares to apply on Nov. 9 option installment, under an agreement with Duranleau, Dupre & Duranleau. Issued capital is 3,739,927 shares.

KIRKLAND LAKE GOLD MINING has announced the dividend payable Nov. 1 to shareholders of record Sept. 29 will be 1c a share, owing to increased wages and material costs. Previous dividend was 2c.

Defense Dept. Groups to Aid Small Industry

The Department of Defense Production announce the appointment of liaison officers across Canada to assist small industries to tender on defense work and help prime contractors secure production facilities.

Appointed to the Small Industries Division as liaison officers are:

—Newfoundland — W. S. Rendell, Stott Building, St. John's.

—Maritimes — B. W. Kelly, New Brunswick Power Commission Building, Fredericton, N.B.

—Quebec — J. P. C. Gauthier, 685 Cathcart St., Montreal; R. A. Robic, consultant, 685 Cathcart St., Montreal.

—Eastern Ontario — E. A. Vick, Small Industries Division, Department of Defense Production, Ottawa.

—Central, Northern Ontario — B. E. Newmark, 55 York St., Toronto.

—Prairie Provinces — George E. Miles, Alsip Building, Portage Ave., Winnipeg, Man.

—British Columbia — Moore Cosgrave, 355 Burrard St., Vancouver.

New Nfld. COL Index Rises But Mainland Still Higher

The cost of living was a big issue when Newfoundland was deciding whether to join Canada. The cost would go down after Confederation, many people believed.

It went up, along with living costs in Canada as a whole. But it seems to have gone up less than in other cities in Canada.

Just how much the rise in Newfoundland's living cost has been, compared with the mainland, has been a matter for debate. The provincial government's cost-of-living index was different in important ways from Canada's standard indicator.

Now the Dominion Bureau of Statistics has issued a new cost-of-living index for St. John's. With June 1, 1951, equal to 100, it will make possible comparison with changes in living costs in other cities from now on.

The July 3 index for St. John's is 101.3.

The importance the statisticians have given to different items in the new index throws an interesting light on the ways the average St. John's family spends its money.

It spends 35% of its budget on food, the weighting shows. This compares with 27% for all non-farm families and single persons in Canada in 1948, but is close to the all-Canada average for those with income under $1,600 a year.

Though Newfoundlanders eat a good deal of fish, its price does not make it a big budget item: fish makes up only 15% of the meat and fish spending for the index. Linoleum gets a 70% weight in the floor coverings budget.

If the index is converted to the old base, a limited idea is given how living costs have changed in St. John's since Apr. 1, 1949, Newfoundland's birthday as a province.

Here are the percentage increases for different cities since then, at the latest date for St. John's.

	cost of living % incr. in
St. John's	4.9
Halifax	16
St. John	17
Montreal	21
Toronto	26
Winnipeg	18
Saskatoon	14
Edmonton	16
Vancouver	18

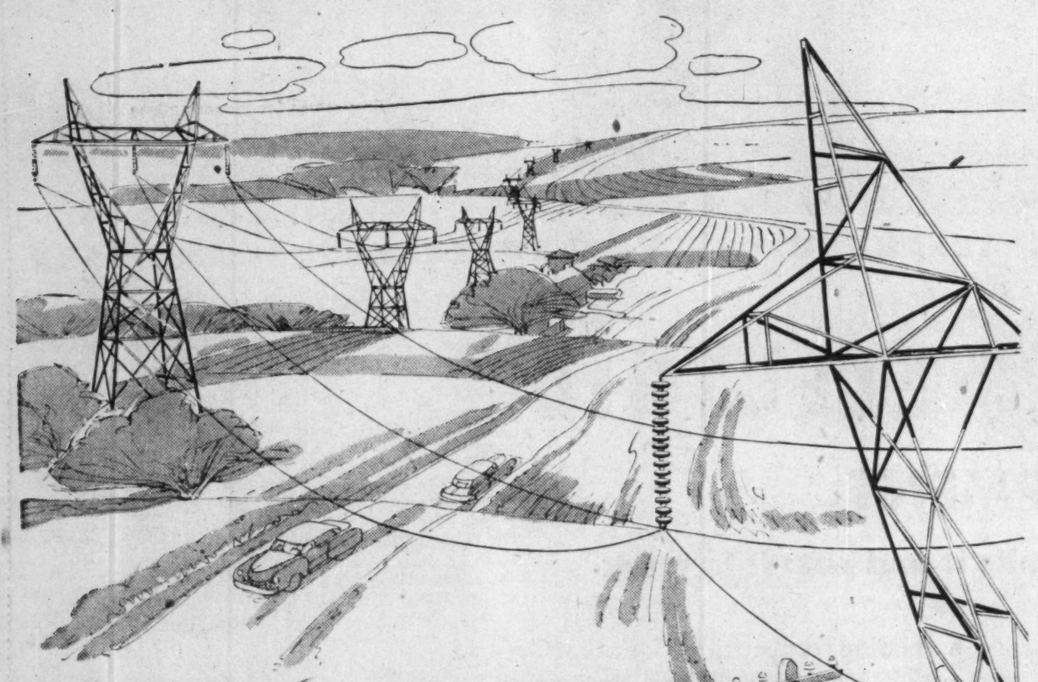
Freight Rate Hearing Adjourned to Jan. 10

MONTREAL (Staff) — After a brief session last week, hearings before the Board of Transport Commissioners on equalization of freight rates were adjourned until Jan. 10.

The railways formally filed with the Board their bulky study on freight rate equalization (Financial Post, Sept. 1). This contains two alternate plans for the Board's consideration.

Counsel for all provinces except Ontario and Quebec attended the brief hearing. Other counsel present represented the Canadian Manufacturers Association and the Canadian Industrial League.

TUNGSTEN CORP. OF CANADA has received payment covering Sept. 3 underwriting installment, comprising 25,000 shares at 50c, together with an additional 170,000 at the same price, comprising part of Dec. 3 option installment, under an agreement with Had Traders. Issued capital is 1,970,005 shares, leaving 2,029,995 in treasury.



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George L. Summers, C-L-M's General Superintendent who overcame a severe Great War Service handicap to rise to a position of great responsibility in more than 30 years of C-L-M service, has helped establish this enviable record. Like his hundreds of C-L-M associates, he's still working at it.

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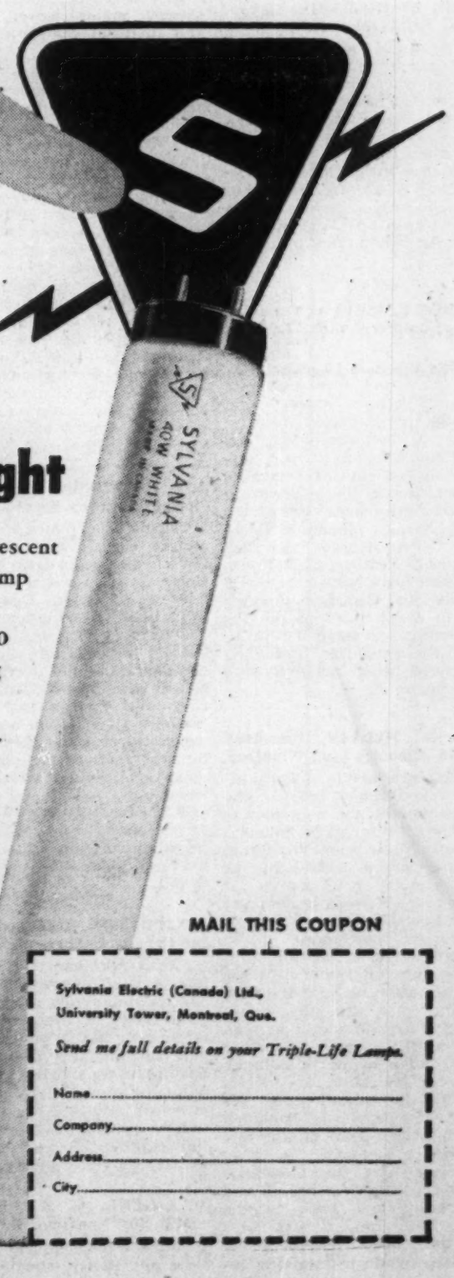

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One Way to Keep Over-65s Working?

Govt. Aid Toward Their Pay Is U. S. Economist's Plan

By SUMNER H. SLICHTER
Lamont Professor of Economics, Harvard University

How can more older workers be brought back in the labor force? A noted U. S. economist here discusses the question, and offers one solution—government aid to pay them for working, rather than a government pension to pay them for not working. While the figures and pension references apply to current U. S. practice, The Post reprints this article by special permission because of the interest in this problem in Canada.

For some years the proportion of persons of 65 years of age or over who are in the labor force has been dropping. In 1890 about 68.2% of males of 65 years or more were in the labor force; by 1940, this proportion had dropped to 42.2%. The strong demand for labor during World War II raised the proportion to nearly 50% in 1944, but by 1950 it had dropped to about 45%.

The drop in the proportion of older persons in the labor force has not been primarily a result of the desire of older persons to retire. A recent survey showed only about one out of 20 had retired of his own volition when he was in good health.

The greatest need of older workers is an opportunity to continue working, not an opportunity to retire on even a generous pension.

But economic reasons are not the principal explanation of why most men prefer to work as long as their health permits. A job is more than a source of income. It gives men a sense of participation in the affairs of the world; it protects them against the feeling that they are "on the shelf." In addition, it is a source of social contacts.

Value to Community

The community also needs to have older workers continue working as long as they wish to do so and are able to do so. This is especially true at the present time when the defense program has caused the armed services to be increased from 1.5 millions to 3.5 millions, thus reducing the available labor supply by about two millions and when it is, in addition, compelling a substantial part of the output of civilian workers to be used for defense.

But the community's need for more employment among the older workers is a permanent one, and it will become greater as time goes on and as the proportion of older persons in the population increases.

The standard of living of the country depends, of course, upon the output of industry per capita of population. If the proportion of males of 65 years or over in the U. S. labor force and at work were raised to 60%, the volume of employment would be increased by 750,000 and the output of the country by about $3 billions, or somewhat more than 1.1%. Hence the volume of consumption would increase by about $3 billions a year and the standard of living would rise by more than 1.1%. This is considerably more than half the interest on the debt of the U. S. Federal Government.

Between the present time and 1975, the proportion of persons of 65 years of age or more in the population will rise from 8% to about 10 or 11%. Hence, if nothing is done to increase employment among older persons, the burden of supporting the population of 65 years of age or more will rise by 25% as a minimum and possibly by as much as 40%.

What Work Can They Do?

Is it really practicable to increase the proportion of older persons who are employed? Are these persons able to do the kind of work in modern industry?

In the first place, the choice of 65 as a retirement age is quite arbitrary.

In the second place, the proportion of persons of 65 years of age or more who are capable of working is about as high as it was in 1890 when more than two out of three males of 65 years of age or more were in the labor force.

The advances in medicine, it is true, have increased the proportion of persons of weak physique who survive until the age of 65 or longer. Many such persons are not able to work after about the age of 65.

On the other hand, medical progress has enabled many persons of ordinary physique to reach the age of 65 in better condition than would otherwise have been the case. If two out of three males of 65 years of age or more were in the labor force in 1890, it is conservative to estimate that at least three out of five ought to be in the labor force today.

In the third place, although industry imposes stiffer requirements on workers in some respects today than it formerly did, it imposes easier requirements in other respects. The proportion of jobs that require care, responsibility, alertness, and quick reactions seems to be increasing; the proportion that require more physical stamina and muscular exertion seems to be diminishing. On the whole, these trends are favorable to the employment of older workers.

Would not the employment of a larger proportion of older persons mean that there would be fewer jobs for younger workers?

The answer to this question is "No."

It is true that the demand for labor at any given moment is limited and that the demand fluctuates with good times and bad. It is also true, however, that the effective demand for labor can be indefinitely increased. This is indicated by the rise in employment that accompanies an increase in population.

The growth of population does not produce a rise in unemployment; it produces a rise in employment. Between 1910 and 1950, for example, when the population of the United States increased from 92.4 millions to about 150 millions, employment increased from about 35 millions to about 60 millions.

The process by which employment grows is an intermittent one—as the business cycle shows. During booms there are periods when the demand for many types of labor (often most types of labor) exceeds the supply of qualified or satisfactory workers—in spite of the fact that a strong demand for labor causes employers to reduce their hiring standards.

An expansion of employment means an expansion of incomes and, hence, of expenditures. If the expansion of employment were larger (because more satisfactory labor was available), the expansion of incomes would be larger. Once incomes are created, they tend to sustain themselves because each income recipient spends or invests all or most of his income.

It is probably true that large expansions of spending during periods of boom tend to a limited extent to lay the foundation for large subsequent contractions—especially since the expansion of spending is made possible partly by an increase of debts that later must be paid. But once an income flow is started, it does tend to sustain itself. Consequently, the gains of an expansion are almost never completely lost. This means that once a high level of employment has been brought into existence, the volume of employment in subsequent years will tend to be higher.

Since employment in most periods of expansion has been limited by the size of the supply of satisfactory labor, there is good reason to believe that a larger labor supply (made possible by a larger proportion of older workers in the labor force) would make possible a permanently larger average level of employment.

Pension Plans

What can be done to increase the employment of older workers?

One useful step would be to raise the retirement age stipulated in many existing pension plans.

Another way to increase the employment of older workers would be to encourage the spread of piecework throughout industry. It diminishes the desire of employers to drop workers who are slowing up—since piecework makes direct labor costs the same for slow workers as for fast ones.

A third possible way is to give employers a special incentive to keep workers beyond a certain age—say, 68 in the case of men and 65 in the case of women.

A simple and effective arrangement would be a payment to the employer of one fifth to one fourth of the annual earnings (say earnings up to $3,600) of all workers kept beyond the stipulated ages. The retention of older workers would save money for the Federal old age and survivors' insurance plan, since men and women who had jobs would not be drawing pensions. Hence the subsidy should be paid from the income of the old age and survivors' plan.

Such a subsidy would provide employment opportunities for men who have lost a considerable part of their former efficiency and are no longer worth standard wages but who, nevertheless, are able to produce a substantial amount. Employers cannot afford to pay standard wages to such workers and consequently they retire them.

Subsidy payments would make it advantageous for employers to keep many older workers who have lost part of their former efficiency, the employee would have the advantage of having a job instead of living on a pension, and the community would have the output produced by the retained worker.

Investment Suggestions

Security	Rate	Maturity	*Price	Yield %
Government of Canada	3 %	1 Oct. 1959/63	97.75	3.29
Province of Ontario	3 %	15 April 1962/65	96.25	3.33
Ontario Hydro Power Commission	3 %	2 July 1960/64	95.50	3.44
Province of Quebec	3 %	1 Oct. 1968/70	94.00	3.43
Province of Nova Scotia	3 %	15 June 1968	91.50	3.68
Province of New Brunswick	4¼ %	3 July 1964	98.50	4.40
Province of Manitoba	3 %	15 Sept. 1968	93.00	3.53
Province of Saskatchewan	3½ %	1 May 1966/68	98.00	3.66
Province of British Columbia	3 %	15 June 1968	93.00	3.56
City of Montreal	3 %	1 Nov. 1972	86.75	3.93
Town of Summerside	3 %	1 Nov. 1957	92.50	4.40
Imperial Oil Limited	3 %	15 Dec. 1969	93.50	3.48
Canada Bread Co. Ltd.	4¼ %	1 Oct. 1967	98.00	4.43
Dominion Foundries & Steel Ltd.	4½ %	Pref. $100 Par	Market	4.50
Shawinigan Water & Power Co.	4½ %	Pref. $ 50 Par	Market	4.41
Aluminium Limited	Common	N.P.V.	Market	3.38**
Canadian Canners Ltd.	Common	N. P. V.	Market	5.97
Hinde & Dauch Paper of Canada	Common	N. P. V.	Market	4.17
Imperial Oil Limited	Common	N. P. V.	Market	1.48
International Nickel of Canada	Common	N. P. V.	Market	4.77
Shawinigan Water & Power Co.	Common	N. P. V.	Market	3.71**
Supertest Petroleum Corp.	Ordinary	N. P. V.	Market	4.38

*Accrued interest to be added where applicable.
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Dividend Number 202
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By Order of the Board
C. N. Bissett,
Secretary.

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Orders for all of these bonds having been received, this advertisement appears as a matter of record only.

NEW ISSUE

$31,000,000

Canadian Chemical Company, Limited

(Incorporated under the laws of the Province of Alberta)

FIRST MORTGAGE BONDS, 4¾% SERIES "A"

To be dated September 1, 1951 To mature September 1, 1969

Principal and semi-annual interest (March 1 and September 1) and redemption premium, if any, payable in lawful money of Canada at any branch in Canada of the Company's bankers. Series "A" Bonds in coupon form in denominations of $1,000 and $500 registerable as to principal only or in fully registered form in the denomination of $25,000. The Series "A" Bonds will be redeemable for Sinking Fund purposes on not less than 30 days' prior notice at the principal amount thereof and accrued interest to the date fixed for redemption; and in whole at any time or in part from time to time at the option of the Company on not less than 30 days' prior notice at 103% of the principal amount thereof if redeemed on or before September 1, 1955; thereafter at 102% of the principal amount thereof if redeemed on or before September 1, 1959; thereafter at 101% of the principal amount thereof if redeemed on or before September 1, 1963; thereafter at 100½% of the principal amount thereof if redeemed on or before September 1, 1967, and thereafter at the principal amount thereof if redeemed prior to maturity; together in each case with accrued interest to the date fixed for redemption.

There will be created in respect of the Series "A" Bonds a Sinking Fund by payment to the Trustee on or before September 1 in the year 1954 of an amount sufficient to retire in that year $1,000,000 principal amount of the Series "A" Bonds, and in each of the years 1955 to 1968, both inclusive, of an amount sufficient to retire in each of such years $2,000,000 principal amount of the Series "A" Bonds. Any such Sinking Fund liability may be satisfied by delivery to the Trustee of Series "A" Bonds to be taken at the principal amount thereof. Series "A" Bonds redeemed for purposes other than the Sinking Fund shall, at the option of the Company, be credited at the principal amount thereof on account of subsequent Sinking Fund liability.

Trustee: National Trust Company, Limited

In the opinion of Counsel, companies registered under The Canadian and British Insurance Companies Act, 1932 (Canada), as amended, may, without availing themselves for that purpose of the provisions of sub-section 4 of section 60 of said Act, invest their funds, or any portion thereof, in these Bonds.

We offer, as principals, the Series "A" Bonds, subject to prior sale, if, as and when the Bonds have been issued and received by us, and subject to the approval of all legal matters on behalf of the Company by Messrs. Lindsay, Emery, Ford, Massie & Jamieson, Edmonton, Alberta, and on our behalf by Messrs. McMichael, Common, Howard, Ker & Cate, Montreal, Que., who will rely on the opinion of said Counsel for the Company in respect of the validity of the incorporation and organization of the Company and the titles to its properties and also in respect of all matters of local law in Alberta.

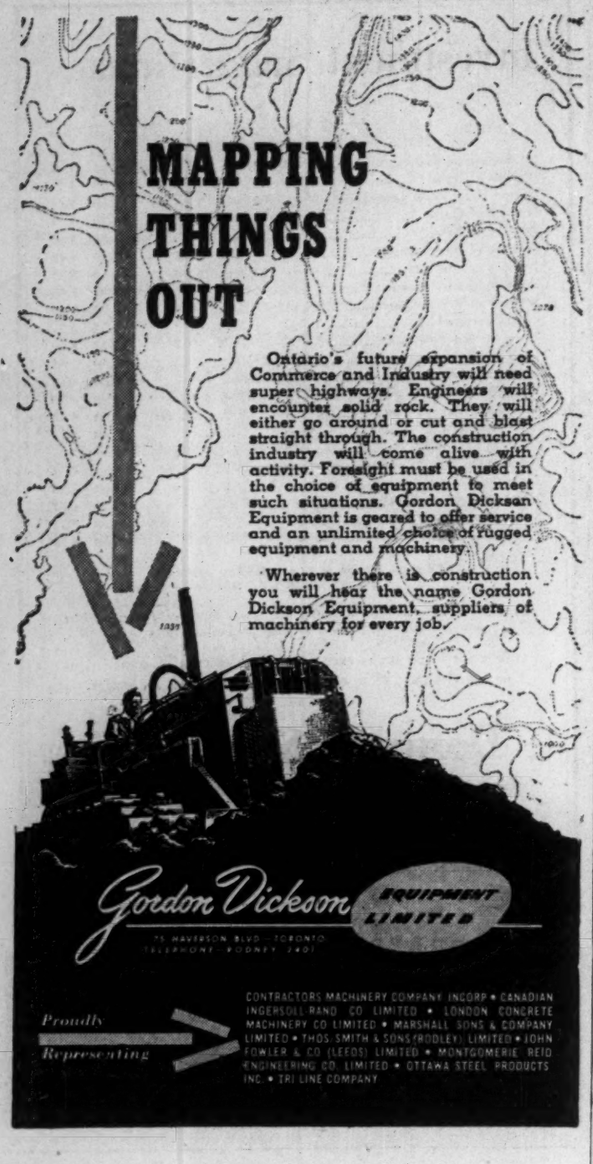
PRICE: 98.50 and accrued interest to yield 4.87%

It is expected that Bonds in interim form will be available for delivery on or about October 10, 1951.

NESBITT, THOMSON & COMPANY Limited

WOOD, GUNDY & COMPANY Limited

51A



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Our other services include: Organization and Industrial Surveys; Sales, Distribution and Marketing Surveys; Cost, Production and Budgetary Controls; Office Procedures and Methods, Supervisory Training in Cost Reduction; Incentive Plans; Personnel Administration, Training and Selection.

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CONSTRUCTION TRENDS

Gaspe Mine and Townsite To Cost $15-$18 Millions

By JOHN CAULFIELD SMITH

Canadian geography sparkles with the names of primary industry towns unknown five, ten—even a year ago. To Atikokan, Terrace Bay, Lynn Lake, Kitimat and others must be added a new one. As yet nameless, it will blossom, a model mining community, in the midst of the bush-wilderness of central Gaspé Peninsula.

The news broke when Premier Duplessis announced that, as part of the province's long term program of expansion, proposals for construction of a hydro-electric plant, a permanent road and a railway would be submitted to the next session of the Quebec Legislature.

Owner of the new mine and townsite is Gaspé Copper Mines (Oliver Hall, president), a subsidiary of Noranda Mines (J. Y. Murdoch, president).

Exact location is in Holland Township, 62 miles west of Gaspé and 26 miles south of Mont Louis, both villages being on the coast. An entirely new and integrated mining project, it will require construction of a mill, smelter—both standard and electrical type of smelter are being considered—and townsite. There will ultimately be 1,000 employees, most of them from outside, since the district is very sparsely populated. Population of the town should therefore be about 4,000 or 5,000 people. Initial cost is estimated at $15 millions to $18 millions.

The new town will be planned in co-operation with Province of Quebec officials, and will be modern, convenient and spacious. The enterprise is expected to be of great value to the Peninsula which, until now, has been bypassed by exploitation of natural resources elsewhere.

Preliminary exploration for the mine started before World War II. At the time the decision was taken to proceed with active development, exploration had indicated about 20 million tons of 2% ore, about half of this being found in 1950. Drilling is continuing and so far, additional ore has been outlined at about the same rate as last year. It is of somewhat lower grade, but prospects of more tonnage and long mine life are said to be good.

Construction of the permanent road—the present one only goes half way—will be by contract. The hydro-electric generating plant and transmission lines will be the responsibility of Quebec Hydro and will also serve the needs of mines projected by lead-zinc interests in the area. Canadian National Railways will handle the extension of its line from the village of Gaspé to the new town.

* * *

No Steel to Spare

Bad news for contractors not engaged in defense work was contained in last week's address to the Toronto Builders' Exchange by D. C. Beam, chief of the construction section, steel division, Department of Defense Production.

Mr. Beam stated that despite a rise in Canadian production of 5% to 10%, and a boost in imports of 30%, it is impossible to get nearly enough steel to meet construction demand. "Therefore," he said, "we must channel what there is to direct defense needs. The situation will get worse before it gets better. Shortages of plates and structurals will not be alleviated until after 1952."

Essential construction of classified as that involving:

1. Direct defense work.
2. Expansion of basic industries.
3. Expansion of defense-related industries.

There are no indications that present restrictions on steel usage will be extended and Mr. Beam expressed hope that it would soon be possible to give an essential rating to school and hospital buildings. "We just haven't enough steel for them at the moment," he said. "They must get it through the open market."

* * *

Ready For Worst

While civil defense seems to be bogged down in Canada and U. S. cities, at least in so far as building public shelters is concerned, such is not the case in London, England. Though it's amazing that the busy earth under the metropolis can hold anything more, a secret network of tunnels is reported to be under construction. According to the London Daily Express, access will be provided by four main shafts 100 feet deep.

The work is being carried out under a three year building plan, and is concealed by high walls. Workers have been told not to enquire into the nature of the project, but Sir Archibald Gill, engineer-in-chief of the General Post Office, is quoted as saying that, "As an engineer, I can tell you that the depth of 100 feet underground gives maximum atom blast and radiation protection in the central London area."

* * *

Engineers Wanted

In connection with recent reports of a Canadian selection team touring Europe in search of qualified engineers, the Technical Service Council tells The Post that while the scarcity of engineers is acute, architects are no longer in short supply.

Until quite recently, architects were in even greater demand than engineers. However, government restrictions on building and the steel shortage have curtailed their operations. As a result, some younger architects are now seeking professional employment. Most of these men are from the University of Manitoba, a school noted for its architectural course.

The Council, which for the past 23 years has been assisting industry to contact technically trained personnel, states that the demand for engineers has been accelerating ever since 1950, and the record-size graduating classes of recent years have done little to alleviate the shortage. Mechanical and civil engineers are in greatest demand, but if the present trend continues, chemical and electrical engineers will also be in short supply. This high level of employment is due mainly to the record level of industrial production, rather than to defense orders.

"PROTECTION AGAINST INFLATION"
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CANADIAN INVESTMENT FUND
CALVIN BULLOCK Ltd.

New Pacific Coal Launches Townsite

A company townsite has been established by New Pacific Coal & Oils Ltd. at Bryan, Alta., and 64 homes, a community centre and school are to be built. The homes will house the work force of the mine and installations.

A company power plant with 500 kw capacity will be completed this month. It will serve the townsite and all operating areas. The C.N.R. plans a station at Bryan.

Building lots are being leased to employees.

The company has an investment of more than $1 million in the property and its coal is now distributed from the Lakehead to British Columbia. An additional 400,000 tons of coal has been proved, and can be recovered by the strip method. Prospecting continues over an adjacent eight miles. Surface installation and equipment to handle an underground operation of 300-400 tons a day are nearly complete. The development slope is about half completed to the first level.

New Pacific Coal is the parent company of North Western Pulp & Power Co., owner of a projected pulp and paper mill east of Edmonton.

TUNGSTEN CORP. OF CANADA has signed a drilling contract to further explore the Outpost Islands group of claims. Continuing shortage of parts has continued to delay commencement of production. It is expected that the drilling program will get under way almost immediately. The first part of the program is designed to explore No. 1 level and proposed No. 2 level at No. 2 shaft and to facilitate development at both these horizons.

TOWN OF MIMICO, Ont., new issue of $27,500 4½% debentures due 1952 to 1971 has been sold by Bankers Bond Corp. and Harrison & Co. at 100 to yield 4.50%. Proceeds were to defray the town's share of the cost of an addition to the Mimico-New Toronto sewage disposal plant.

TOWN OF DUNVILLE, Ont. has recently sold to Anderson & Co. $45,000 4% debentures maturing Sept. 1, 1952-1971, at 96.65, a cost basis to the town of about 4.39%. Proceeds of the issue are being used in connection with construction and equipping of Haldimand War Memorial Hospital.

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See the exhibition of FISHOLOW material handling and storage equipment on BOOTH NOS. 4362-4-6 *in British Mechanical Handling Group at the* C.I.T.F.
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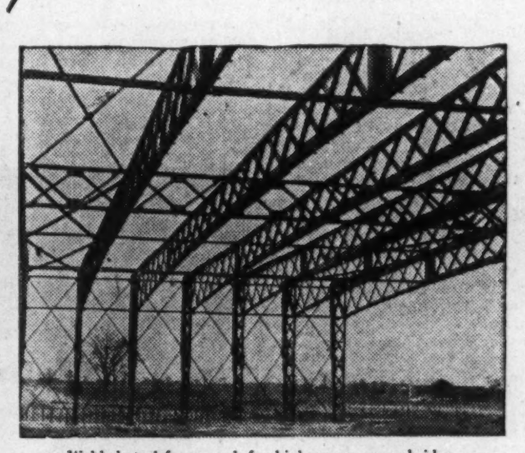
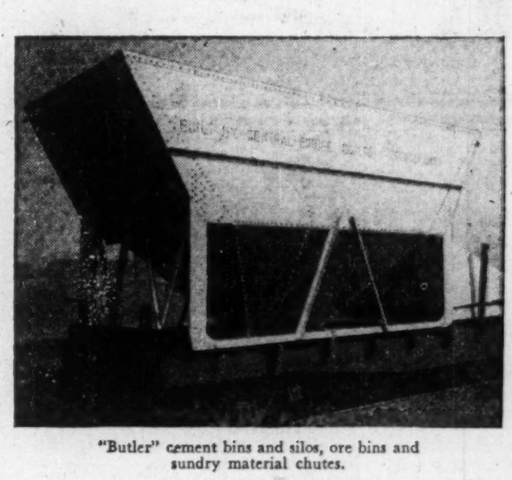
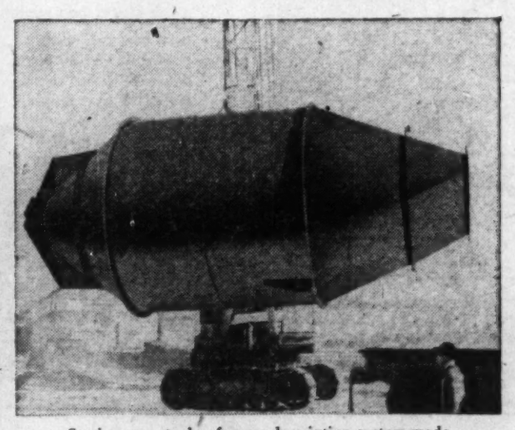


Welded steel framework for highway overpass bridge.



"Butler" cement bins and silos, ore bins and sundry material chutes.



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. . . And you'll save money, time and food too with a new 1951 International Harvester Home Freezer. No other freezer offers all the advantages of these remarkable IH Home Freezers. Three sizes to choose from.

Model 111

WHY FREEZE FOODS? This question and many others are answered fully in an informative, illustrated 32-page booklet entitled "Prelude to Freezing." Write today for your *free* copy — International Harvester Company of Canada Limited, Hamilton, Ontario.

See the new International Harvester Refrigerators and Home Freezers today at your IH Dealer's

IH Refrigerators and Home Freezers are made for 60 cycle current only.

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ONE VIEW OF THE MARKET:

Here Are Stocks Traded By Sovereign Life in '50

Canadian life insurance companies have an investment of $86 millions in Canadian stocks. As a service to its readers, The Financial Post presents here one of a series reporting on the holdings of individual companies, and changes in its portfolio of Canadian preferred and common stocks in the past year.

The Sovereign Life Assurance Co. of Canada, Winnipeg, Man., in 1950 decreased its holdings of preferred stocks from 12.8% of invested assets to 12.3% and decreased its holdings of common stocks from 4.6% to 4.2%. Stocks were carried at a total value of $3,294,538 on the balance sheet at Dec. 31, 1950.

During the year, in its holdings of Canadian stocks, Sovereign Life:

—added four new preferred stock holdings;

—increased its holdings in four preferred stocks and four common stocks;

—reduced its holdings in one preferred stock — Fraser Companies 4¾%;

—eliminated holdings of two preferred stocks and three common stocks from its portfolio.

New preferred stock holdings at Dec. 31, 1950, included Shawinigan Water & Power Co. 4½%, Winnipeg Electric Co. 5%, Brantford Cordage Co. Class "A," and Dominion Foundries & Steel Ltd. 4½%.

Preferred stock holdings were increased of Dominion Glass Ltd. 7%, Great Lakes Paper Co. Class "A," National Grocers Co. $1.50 and Simpsons Ltd. 4½%.

Common stock holdings were increased of Bell Telephone Co. of Canada, Bank of Nova Scotia, Imperial Bank of Canada and Royal Bank of Canada.

Holdings eliminated from the portfolio were Brantford Cordage Co. first preferred, Canadian Canners Ltd. 5% preferred, Canadian Celanese Ltd. common, Manitoba Cold Storage class "B" common and Southmount Investment Co. common.

Holdings of Canadian preferred and common stocks at Dec. 31, 1950, together with the change in number of shares held during the preceding year, shows as follows:

HOLDINGS OF CANADIAN PREFERRED AND COMMON STOCKS

	Held at Dec. 31 1950 No. of Shares	Incr. or Decr. (—) Since Dec. 31 1949 Shares
PREFERRED STOCKS:		
Public Utilities:		
Anglo-Can. Tele. 4½%	1,500	.....
B. C. Electric 4%	300	.....
Do. 4¾	200	.....
B. C. Pwr. Cl. A	1,000	.....
Gatineau Pwr. 5%	300	.....
Do. 5½%	300	.....
Northwestern Util. 4%	350	.....
N. S. Lt. & Pwr. 4%	250	.....
Do. 4½%	25	.....
Do. 6%	200	.....
Pr. Corp. of Can. 1st pf 6%	250	.....
Do. partic. 6%	1,000	.....
Saguenay Power 4¼%	150	.....
Shawinigan W. & P. 4%	1,000	.....
Do. 4½%	275	+275
Southern Can. Pwr. 6%	435	.....
Winnipeg Electric 5%	500	+500
Industrial:		
Abitibi P. & P. $1.50	300	.....
Aluminum Co. of Can. 4%	3,225	.....
Beaver Lumber $1.40	500	.....
Belding-Corticelli 7%	243	.....
Biltmore Hats $1	880	.....
Brantford Cord. Cl. A	1,000	+1,000
Do. 1st pref.	.....	—500
Brit. Ameri. Oil 3¾%	500	.....
Can. Packers Cl. A	1,500	.....
Can. Steamship Lines 5%	1,149	.....
Can. Car & Fdry. Cl. A	2,500	.....
Can. Celanese $1.75	3,300	.....
Do. $1	2,000	.....
Can. Cotons 6%	50	.....
Can. Fairb.-Morse 6%	200	.....
Can. Industries 7%	64	.....
Can. Oil Cos. 4%	500	.....
Do. 5%	155	.....
Do. 6%	300	.....
Dom. Coal 6%	500	.....
Dom. Fdries. & Steel 4¼%	200	+200
Dom. Glass 7%	1,050	+400
Dom. Malting 5%	185	.....
Dom. Tar & Chem. $1	2,000	.....
Fraser Cos. 4¼%	208	—42
Gen. Steel Wares 5%	500	.....
Goodyear Tire & Rub. 4%	760	.....
Gt. Lakes Pap. Cl. A $2.50	595	+170
Henry Morgan & Co. 4¾%	200	.....
How. Smith Pap. $2	700	.....
Imp. Tobacco of Can. 6%	5,000	.....
Do. 4 %	800	.....
Inter. Bronze Powd. 6%	800	.....
Int. Metal Indust. 4½%	160	.....
Lake of the Woods M. 7%	210	.....
McColl-Front. Oil 4%	250	.....
Moore Corp.	500	.....
Nat. Breweries 7%	545	.....
Nat. Drug & Chem. 80c	1,500	.....
Nat. Grocers $1.50	1,000	+500
William Neilson 5%	300	.....
Penmans Ltd. 6%	70	.....
Price Bros. 4%	400	.....
St. Law. Flour Mills 7%	245	.....
Shea's Wpg. Brew. A	2,000	.....
Sherwin-Wms. of C. 7%	395	.....
Sidney Roof. & Pap. A	1,000	.....
Simpsons Ltd. 4½%	700	+200
Standard Fuel 4½%	500	.....
D. A. Stuart Oil partic.	250	.....
Tuckett Tobacco 7%	300	.....
United Steel Cl. A	500	.....
West. Grocers $1.40	1,400	.....
George Weston Ltd. 4½%	500	.....
Willson Stat. & Env. 5%	300	.....
Zellers Ltd. 5%	1,000	.....
Do. 6%	500	.....
Can. Canners 5%	....	—800
Miscellaneous		
Indust. Accept. 4¼%	200	.....
Do. 5%	200	.....
Traders Finance 4½%	200	.....
COMMON STOCKS:		
Railways:		
Can. Pacific Railway	1,980	.....
Public Utilities:		
Bell Telephone of Can.	2,796	+146
Consumers' Gas of Tor.	200	.....
Montreal Telegraph	250	.....
Shawinigan W. & P.	300	.....
Industrial:		
Brit. Amer. Oil	1,000	.....
Can. Celanese	....	—1,200
Can. Westinghouse	210	.....
Dome Mines Ltd.	1,000	.....
Dom. Textile	143	.....
Hollinger Cons. G. M.	2,000	.....
Imperial Oil Ltd.	500	.....
Int. Nickel of Can.	750	.....
Inter. Petroleum	380	.....
Lake Shore Mines	2,000	.....
Man. Cold Store. Cl. B	....	—1,000
McIntyre Porc. Mines	1,300	.....
Noranda Mines	800	.....
Ogilvie Flour Mills	400	.....
Penmans Ltd.	200	.....
Southmount Invest.	....	—300
Banks:		
Bank of Montreal	2,000	.....
Bank of Nova Scotia	900	+700
Can. Bank of Commerce	2,000	.....
Dom. Bank	2,000	.....
Imp. Bank of Can.	2,500	+500
Royal Bank of Canada	3,000	+500

Of the company's total invested assets, 56.3% were in bonds and 20.6% in mortgage investments while stock investments totaled 16.5% of the whole. An analysis of invested assets at the end of each in the last four years shows as follows:

Analysis of Invested Assets

	1950 %	1949 %	1948 %	1947 %
Bonds:				
Government	26.3	28.0	32.2	37.9
Municipal	13.0	12.7	10.0	9.6
Other	17.0	17.9	19.7	18.0
Total	56.3	58.6	61.9	65.5
Mortgages:				
Farm	0.6	0.6	0.7	....
Urban	20.1	16.1	12.2	....
Total A	20.6	16.7	12.9	7.8
Policy Loans	4.5	4.3	4.0	3.9
Stocks:				
(a) Preferred	12.3	12.8	13.5	14.1
(b) Common	4.2	4.6	4.6	5.1
Total	16.5	17.4	18.1	19.2
Real Estate	0.4	0.3	0.4	0.6
Sale agreements	0.4	0.6	1.1	1.5
Other	1.3	2.1	1.6	1.5
Grand Total	100.0	100.0	100.0	100.0

CENTRAL EXPLORERS reports Davidson Securities has underwritten 100,000 shares at $3 a share. Upon issue of shares underwritten, issued capital will be 1,100,000 shares, leaving 900,000 shares in the treasury.

COMPANY REPORTS

LOBLAW GROCETERIAS CO. net profit of $2,595,848 for the year ended June 2, 1951, was up 18.7% from the previous year's net of $2,185,915. The earnings represent a profit of 2.06 cents per dollar of sales (2.16 cents last year).

Sales of $125,961,074 were a new record and up 24.7% from previous year's.

Results to date in the current fiscal year are encouraging and, barring unforeseen international developments, prospects for the remaining months appear favorable, President Justin M. Cork says. Buying power continues at record levels and over-all demands for food products remain strong. Company is well prepared to meet whatever situations arise.

In the last fiscal year capital additions for lands and buildings, fixtures and equipment total $7,044,488. Of the expenditures applicable to land and buildings, the sum of $4,260,839 was or will be recovered through the sale of properties. Company's policy has been to sell completed stores and arrange for long term leases on respective properties as this permits the leasing of highly desirable outlets and allows the modernization and expansion to proceed with a minimum of outside financing. Mr. Cork explains.

In the fiscal year, 16 new stores, of which six replace smaller units, were opened and with one small store closed, total number in operation at year end was 136. Five large market stores were opened in June, subsequent to the close of the fiscal year. Fifteen additional outlets are under consideration or currently planned. Many sites have been acquired throughout Ontario for development, but the program is predicated on the availability of materials and supplies and on national policy.

Warehouse facilities are being planned to adequately handle the record volume of business. Accomodation near the company's main warehouse, which previously was not required and in the interval had been sublet, is to be utilized while other properties are being enlarged and remodeled.

Annual meeting is Sept. 27.

INCOME ACCOUNT

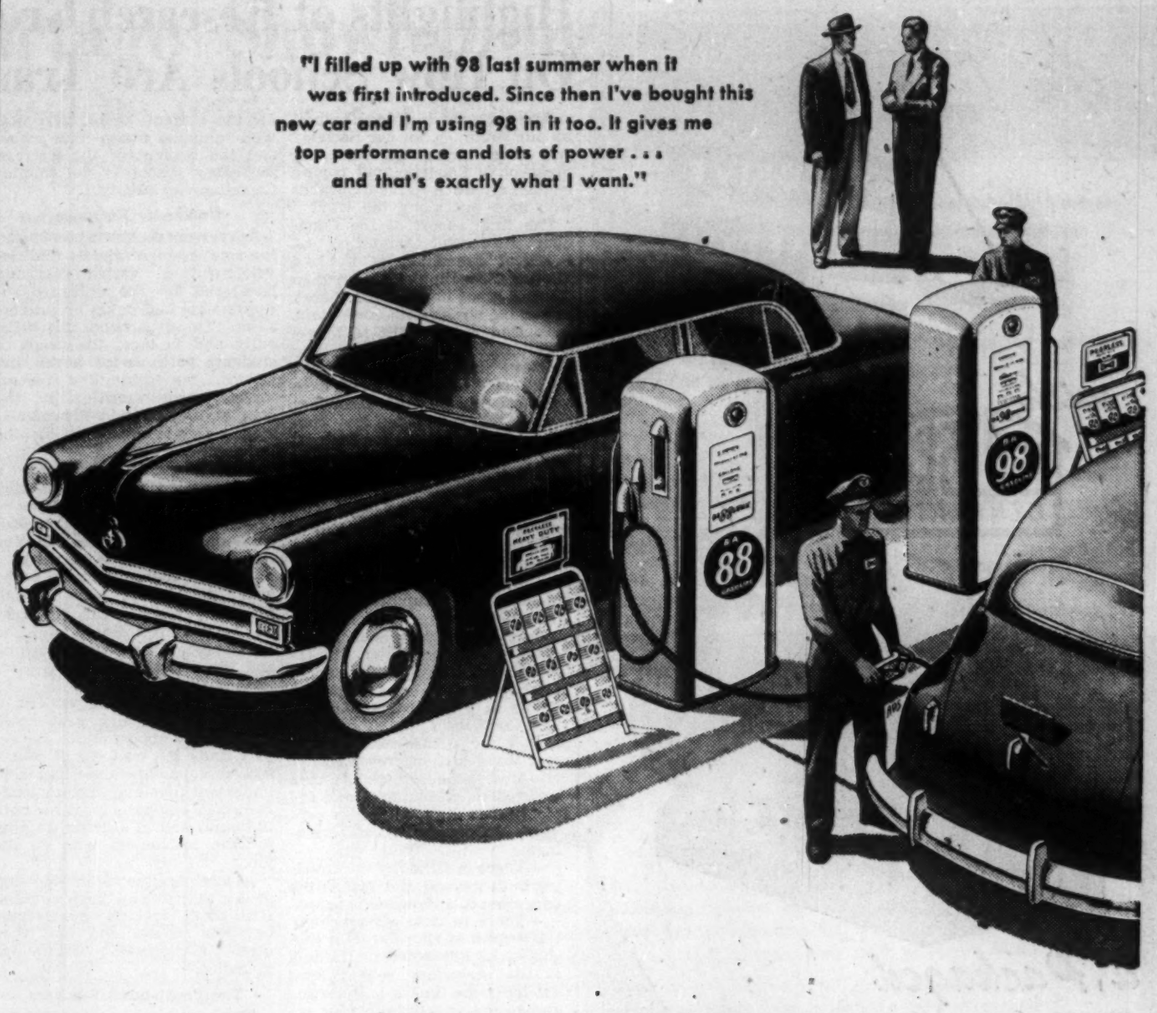
Years Ended:	June 2 1951 $	June 3 1950 $
Gross sales	125,961,074	101,002,197
Net earnings	6,343,142	4,696,238
Less: Depr.	1,397,294	1,060,323
Inc. tax res.	2,350,000	1,450,000
Net profit	2,595,848	2,185,915
Less: A & B divds.	1,035,445	1,035,445
Surplus for year	1,560,403	1,150,470
Earnings per Share and Dividend Record:		
Class A & B	$3.13	$2.64
Paid	1.00+0.25	1.00+0.25

CONDENSED BALANCE SHEET

As at:	June 2 1951	June 3 1950
Cash	$791,923	$1,632,632
Accts., etc., rec.	493,675	461,694
Expends. recov.	1,369,535	.....
Inventories	8,715,237	5,908,263
Total curr. assets	11,370,730	8,002,589
Misc. assets4	409,024	315,304
Fixed assets*	10,064,854	8,473,052
Total assets	21,844,608	16,790,945
Accts. pay.	4,463,977	3,736,956
Inc. tax res.	1,519,759	874,077
Total curr. liab.	5,983,736	4,611,033
Bank loans	2,000,000	.....
Real estate res.	2,030,759	1,929,195
Deferred liab.	49,521	52,544
Contingent res.	400,000	400,000
Capital stock	2,654,422	2,654,422
Surplus	18,726,170	17,143,751
4Incl. ref. EPT	5,449	34,903
*After depr. of	5,957,493	4,831,779

†After adding $242,589 in 1951, $484,907 in 1950, profit on sale of land and bldgs. and deducting $168,313 in 1951, $484,907 in 1950, real estate carrying charge reserve.

Working capital 5,386,994 3,391,556



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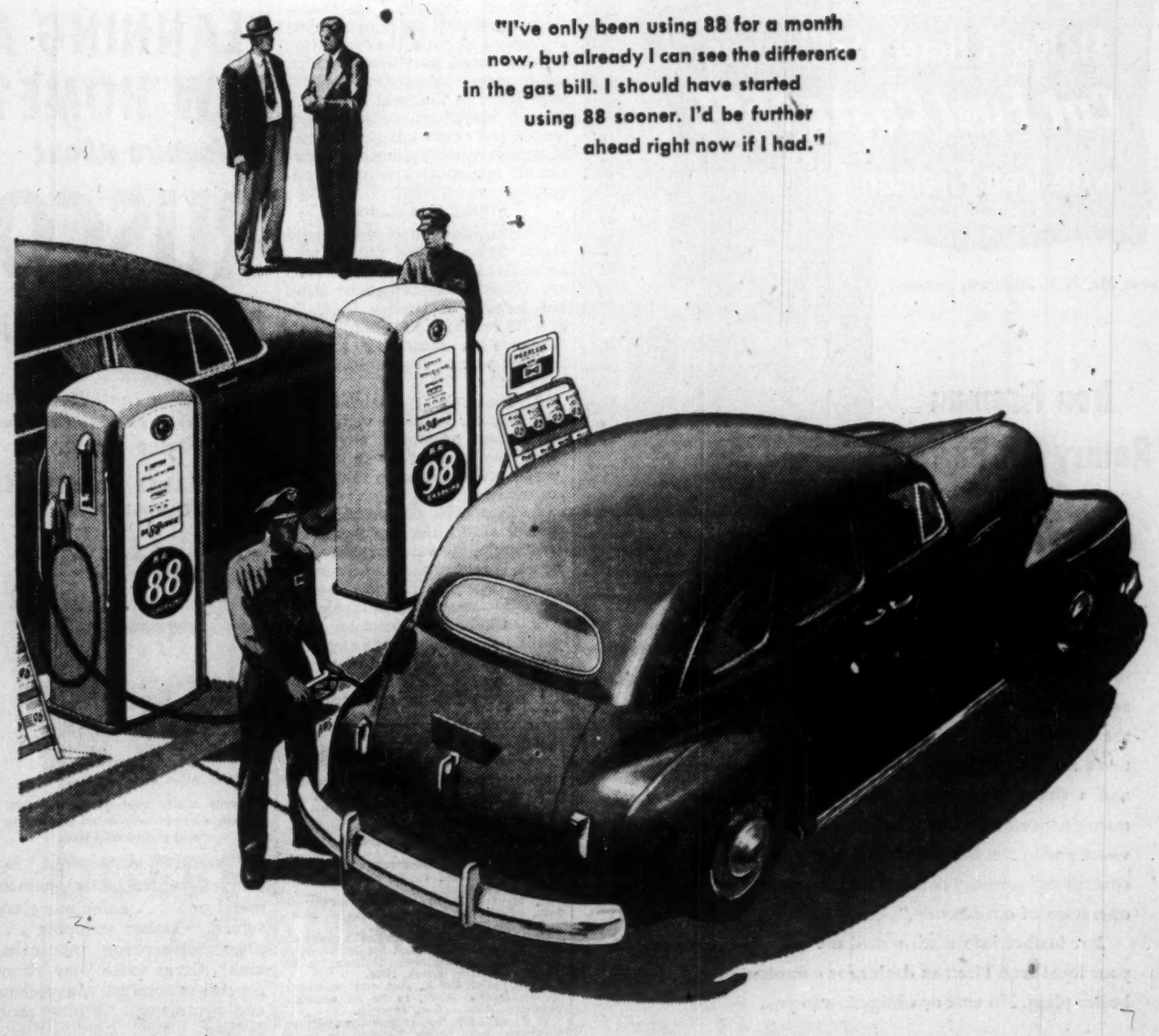

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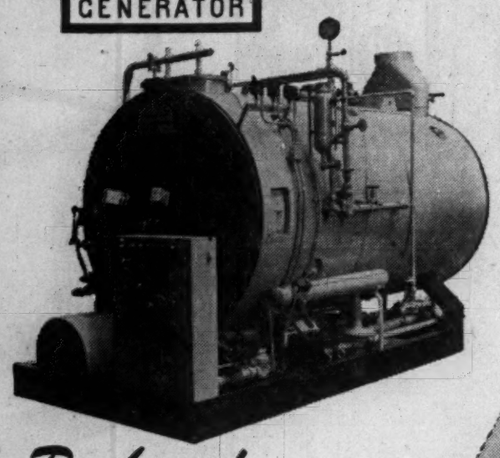

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Highlights of Research Group's Report On How Schools Are Training Children

Are our schools doing the best by our youth . . . for our Society? Are they trying too hard for prospective Einsteins, not paying enough attention to the thousands who drop out along the way?

The final report of the Canadian Research Committee on Practical Education is titled "Better Schooling for Canadian Youth." That implies that there's something wrong with our system.

To find out what it is, to get a better break for business and industry and the students who go directly to employment from varying grades of secondary school, the committee has conducted investigations for the past four years. The recommendations of the final report are the outcome.

The committee adopts as a premise that the primary aim of education is to develop good citizens and that an important part of good citizenship is competence in an occupation, success and satisfaction on the job.

In the Secondary Schools

The committee found limitations in facilities and differences in purpose in our secondary schools as a prime complication along the road of helping students prepare for occupations. Here's what investigations revealed:

—Most secondary schools have insufficient enrollments and are too limited in facilities to provide specialized vocational training.

—There is difficulty in providing both general and specialized education in a crowded program.

—There is little agreement in the degree of specialization that should be attempted in training at the secondary school level (at the same time it is generally recognized that training for occupations in the school program increases the pupils' interest in school).

What Schools Should Do

Sifting the wealth of material gathered in the four-year job (largely through questionnaires to business and to the students themselves and from submissions of committees in every province but Newfoundland), the report comes up with these recommendations to overcome basic problems of differences:

—The schools should aim to develop basic skills, rather than highly specialized skills, so that pupils will be more adaptable.

—There should be strong emphasis on thoroughness and insistence on higher standards of performance in all work.

—The development of desirable character traits is highly important.

—The school should endeavor to develop a recognition of the dignity and worth of all types of work.

—Studies in social sciences should include units which will provide some understanding of the world at work; the organization of business and industry, the significance of social security, wage-hour laws, government ownership, the economic cycle and related matters.

Further towards increasing working ability through secondary school training, the committee urges planned part-time work in some cases; adequate practical experience in the field for teachers of vocational subjects; extended and better adapted courses in home economics, business education, industrial arts and agriculture.

School Attendance

Investigations showed that only about 35% of the pupils who enter Grade VII complete secondary school. The remainder drop out largely in Grades VIII, IX and X. As aids to keeping up attendance in secondary schools, the report recommendations include:

1. That school administrators and teacher be more vigilant to recognize promptly any sign that the student is failing to make progress and to take steps to remedy it.

2. That costs not provided by school authorities are kept to a minimum, the value of part-time work is recognized and attempts made to secure financial assistance for deserving students.

3. Closer co-operation and public relations between the home and the school.

The report calls attention to the differences in opportunities for the student of the large and well-equipped urban high school and the student of the average secondary school in the smaller Canadian community.

University Entrance

Apart from consideration of size, the smaller high schools find development of varied curricula hampered by the entrance requirements laid down by universities. To get around this difficulty and to meet the needs of students with varied hopes and talents, the committee recommends more variation in the courses offered, and wider admission requirements by the universities.

Also aimed at equipping a highly varied school population for a highly complex society:

—local educators to consult community leaders in adapting the curriculum to local needs.

—special courses for pupils who won't go all the way through secondary school, with emphasis on citizenship training and the development of a love of learning and the desire to continue after leaving school.

With the increasing variety of school courses and post-school employment opportunities, the report finds the business of course and employment counselling more important than ever, recommends increased emphasis on it for both the pupil and in specific training for the instructors who do the job.

In addition, the committee suggests that schools keep cumulative pupil records transferable between schools and that they offer post-school "follow-up" guidance.

The Problem of Teachers

The teaching profession too came in for study by the committee. They find that "an insufficient number of young people have been entering the teaching profession and the number of teachers leaving the profession each year is high."

For an assured adequate supply of well-qualified teachers, the report recommends that education authorities take steps to raise the status of the teaching profession along these lines:

—Higher qualifications.

—Pay commensurate with the training, responsibility and significance of the teachers' function.

—Longer periods of education and training.

—Better methods of teacher selection.

—Recognition of work experience as part of the qualifications for teaching.

"Better Schooling for Canadian Youth" is the fourth published report issued by the committee following "Practical Education in Canadian Schools," March, 1949; "Your Child Leaves School," March, 1950; "Two Years After School," March, 1951. Its publication completes the work of the Committee on Practical Education which had Hugh Crombie, of the Canadian Manufacturers' Association as chairman and A. G. McColl, as research director, and was supported by some 60 business firms and associations.

As a closing theme the committee has this to say: "With the many changes that are taking place in secondary education it is highly important that there be a program of continuous research. Some of this can probably be done best at the local level and some at the provincial level. It would obviously be to the advantage of all if there were a central bureau through which the findings could be pooled. Such a central bureau could also initiate studies of national interest.

"We strongly suggest that consideration be given to methods of establishing a national bureau of educational research which would work with provincial and local research bodies."

H. R. (ROD) MORRIS

Osler, Hammond & Nanton Limited, Winnipeg, Manitoba, announce the appointment of H. R. (Rod) Morris as Geologist for the Company. Mr. Morris will be associated with the Oil Department and will have his headquarters in the Calgary office of the Company.

Mr. Morris graduated from the University of British Columbia in 1943 with a B.Sc. in Geology, and after post graduate work joined Imperial Oil Limited. During the years 1944-1949 Mr. Morris held various positions with the Alberta and Saskatchewan divisions of that Company's Geological Department. He has for the past year been in business in Calgary as a Consulting Geologist. *

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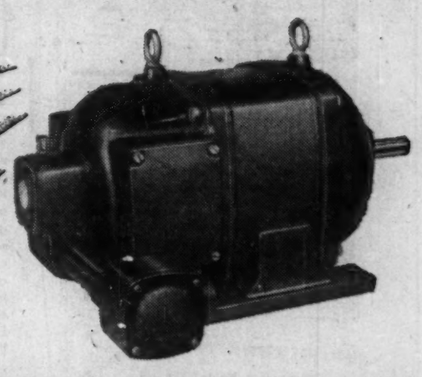

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AMERICAN CYANAMID CO. reports issuing of an additional 51,111 common shares upon conversion of 894 cumulative preferred series A 3½% shares and 35,480 Series B 3½% shares; also, 334 common shares have been issued upon consolidation of 33,400/100ths scrip. Issued capital is now 4,057,000 common shares, 22,299 Series A preferred shares and 209,048 Series B preferred shares.

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The installation of Iron Fireman equipment for efficient firing of low-cost heavy oils has cut fuel costs 15%, which, says Manager Stidston, "is sufficient to amortize the cost of the complete installation in about seven years. In addition, there are the intangible savings resulting from cleanliness and a sharp reduction in the time required in the daily maintenance of the fire. The constancy of the supply of hot water and steam has been particularly noteworthy and has contributed to room comfort for our guests and the efficient operation of our kitchen."

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Staff Changes

Chartered banks announce the following staff changes.

Commerce:

W. L. DAWSON, formerly manager, Riverhurst, Sask., to be manager, Killarney, Man.

F. C. W. HYDE, formerly an assistant manager, Toronto, to be manager, Port of Spain, Trinidad.

H. M. LANE, to be audit officer in dept. of the supt. of Maritime & Newfoundland branches, Halifax.

D. L. MACDONALD, formerly audit officer in dept. of the supt. of Maritime & Newfoundland branches, Halifax, to be manager, Corner Brook, Nfld.

E. M. MAXWELL, formerly manager, Corner Brook, Nfld., to be an assistant inspector, head office, Toronto.

T. H. MILLER, formerly in the audit department, head office, Toronto, to be an assistant accountant, Peterborough, Ont.

A. A. MINTY, formerly of St. Walburg, Sask., to be manager, Riverhurst, Sask.

J. G. ROBERTSON, formerly an assistant accountant, head office, Toronto, to be an assistant accountant, Peterborough, Ont., to be accountant.

L. S. WILSON, to be assistant accountant, Huntingdon, Que.

R. A. WILSON, formerly accountant, Peterborough, Ont., to be manager, new branch, Princess & Alfred, Kingston, Ont.

* * *

Nova Scotia:

R. W. MUNRO, to be an inspector, at General Office, Toronto.

P. C. SMITH, to be manager, Chelmsford, Ont.

E. J. DUNN, to be assistant accountant, Windsor, Ont.

REDWATER-PICCADILLY PETROLEUM reports Stuyvesant-North has underwritten the balance of the treasury stock, comprising 149,990 shares, at 35c.

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How Housing Shortage Snowballing

1945 Position Will Be Repeated By 1955, Expert Warns

How serious is Canada's housing problem? What effect will it have on industry? Dr. O. J. Firestone, economic adviser to the Department of Trade and Commerce and the Central Mortgage and Housing Corp. discussed these and other housing issues in an address to the Toronto Chapter of the American Marketing Association. Here's a digest of his address:

By DR. O. J. FIRESTONE

It is only in recent years that housing has also come to be looked upon as an integral part of industrial and economic development. In a country such as Canada whose population is small if compared with the United States, a high degree of mobility of the labor force is essential if the natural resources of the country are to be developed rapidly and industrial expansion is to take place where location factors may make this a promising venture.

But unless there is enough housing in localities where industrial expansion and resources development are taking place, economic growth is retarded. Even though in national terms, housing supply and housing requirements may appear in balance, in regional or local terms a serious lack of balance may exist.

Homes may be vacant in one part of the country and serious shortages may exist in other parts. It is the mobility of the population and the immobility of the housing stock that complicates a market appraisal of housing supply and demand far beyond an assessment of the working of commodity markets.

The supply of housing in Canada has increased more rapidly than population. From Confederation to the present, population has risen by about four times and supply of housing by close to six times. In this period which covers almost three generations the housing standard of the Canadian population has risen by almost 50%, not only in terms of persons per dwelling but also in terms of the physical amenities which modern housing provides.

In the post-war period Canadians built the largest number of houses in the history of the country. This accomplishment in relative terms is hardly matched by any other industrialized nation. Still, population and economic growth have been so rapid in the last decade that housing has not kept pace with the growth.

In 1951 the number of families without homes is estimated to exceed half a million, or about twice the number in 1939 and about two-fifths more than in 1945.

New Obstacles

New obstacles have been put in the way of building and selling the number of houses that the rapid industrial and economic growth of the country would warrant. Two of the most important factors are:

1. Housing competes for scarce materials and manpower needed for Canada's defense and defense-supporting industries and military installations.

2. A large housing program adds to Canadian capital expansion and excessive volume of investment is not without impact on inflationary pressures.

Hence, the Government's decision to tighten housing credit. This in turn has led to a definite falling off in demand for new housing. During May and June of this year, starts of houses in cities and towns with population of 5,000 and over have been running 20% below last year, and in July and August, over 40%.

Supply Won't Keep Pace

The supply of housing over the next two or three years in which we are creating an industrial defense structure will not keep pace with general economic expansion. We may therefore be facing by 1955 a situation similar to that existing in 1945, with backlog requirements larger than ever before and we may have further expansion ahead of us.

So we may find that at that time it will not be enough to build the close to 100,000 units per year — our accomplishment between 1949 and 1951 — but an even larger number. Perhaps between 115,000 and 130,000 units per annum will then be necessary.

If we were to plan on building 130,000 houses by 1955, what would this mean in terms of goods and services? In 1951 prices the building of this number of dwellings would involve an outlay of $1.45 billion, including land and supplementary building costs.

By 1955 construction costs may be some 20% higher than they are today — barring all-out war and over-all controls. Thus, in 1955 prices a housing program of 130,000 units may involve a total expenditure of $1.74 billion.

The Breakdown

The breakdown of this large total might roughly be as follows: land costs, $156 million, equipment and service costs including architectural, legal, sales and financial fees and advertising, $44 million, building materials, $810 million, wage payments of on-site construction labor, $578 million and overhead and profits of builders, contractors and other entrepreneurs, $154 million.

If past experience is any guide and we have no revolution in building material techniques, the $810 million expended on house building materials in 1955 may be spent as follows:

Material	Millions of $
Cement, gravel, sand	62
Brick, tile, stone	40
Lumber and lumber products	345
Lath, plaster, insulation	93
Roofing materials	23
Paint and glass	26
Plumbing, heating eqpt.	150
Electrical eqpt. etc.	31
Hardware, sheet metal, etc.	40

It has been estimated that in the 1949 housing program when both starts and completions were over 90,000 units, some 235,000 Canadians were employed the year round either in building houses or in supplying the necessary materials and services. By 1955 a 130,000 unit program might provide employment for over 300,000 people.

But beyond the direct impact of the housing program, the building of so many houses will affect the national economy in many other more indirect ways. New homes mean added expenditures for furniture, electrical appliances, hydro power, fuel and gas. Then again, an extension of utility, transportation, commercial and community facilities will be needed to service the people who will be occupying these new homes.

Beyond all that there is what the economist calls the secondary and further induced effects of capital spending, which are the result of new incomes and employment being created in consumer and capital goods industries following the spending of the incomes earned in the first instance by those who participated in the housing program.

People seem to feel that whenever there is news about a protracted period of peace this must of necessity mean a decline in economic activity, lower incomes, greater unemployment and reduced sales. This nervousness is reflected in the decline in the stock market as Korean peace negotiations got under way.

You might recall that the Dow-Jones index dropped 45 points, or 5%, in the short space of nine days from June 20th to June 29th. And when negotiations were becoming difficult and fighting in Korea grew intense, the index rose by 30 points, or 3% between August 27th and September 6th.

Does this mean that there are a number of people who believe we have no worthwhile alternatives to military spending? I would rate housing and resource development expenditures as a pretty good alternative.

DOW CHEMICAL OF CANADA announces development of five new colors in Styron molding materials to be known as 1952 Styron-Tone colors. The new shades of deep green, soft grey, blue, chartreuse, and one resembling the color of canyon clay show a definite trend to softer color tones and a move-away from primary colors in the housewares field. Selection of the new shades was based on an intensive six months' co-operative study with top color consultants in the retail trade.

BREWIS RED LAKE MINES has received payment for Sept. 9 option installment, comprising 100,000 shares at 25c, under an underwriting and option agreement with Brewis & White Ltd. Issued capital is 3,400,000 shares, leaving 100,000 shares in treasury.

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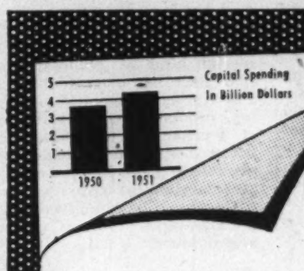

Has Your Business Outgrown Its Insurance?
The expansion of Canadian industry since 1939 dwarfs all previous experience. Estimated capital spending for 1951 alone tops $4.3 billion. This represents a 14% increase over 1950, as shown in the accompanying chart.
Your business may have grown even more than the average. But has your insurance program grown with your business?
If your company has expanded, you would be wise to let a brokerage organization experienced with the problems of large corporations review your insurance coverage. Qualified members of our staff will be glad to help you.
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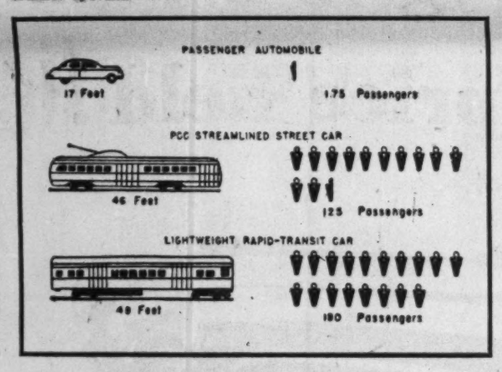
TRAFFIC JAMS are 2650 years old

You think traffic jams are a modern malady? Well, they're just about 2,650 years old now—give or take a few years. 'Way back in 700 B.C. the Phoenicians built the first system of good stone roads—and struggled with the first great traffic problem. Traffic in downtown Carthage was limited by law. And a little later the Romans had to restrict traffic in Rome. Throughout history—medieval, Elizabethan, Victorian, and modern—restrictions have been the ultimate, effective traffic control. But today we search for a more agreeable way to relieve traffic congestion.

The automobile has given us the greatest system of private transportation the world has known. Motor transport is the life blood of American cities, but the time has come when it threatens to destroy the effectiveness of the same cities it has helped to build. We have impressive highways through our cities. We have parking areas, garages, parking authorities, and parking laws. But we still don't have enough room for all the cars that clog our downtown streets during rush hours.

Even if we move or raze buildings to make room for wider downtown streets, we still have to find some place to keep our cars while we work. That requires parking space! Based on the proven average of about 1.75 people per car, we would need, conservatively, 140 square feet of modern garage space for every person who rides to work in an automobile. We learned during the war that car-pooling doesn't raise that average significantly. So for every building full of people who ride to town in cars, we need another building of the same size to house the automobiles they ride in. As we build new parking garages, and new multiple-lane boulevards, they become quickly clogged with more people crowding into town in automobiles.

And those wide, no-intersection freeways do not provide really efficient mass transportation. Hundreds of speeding automobiles blurring by on four, six or eight lanes of gleaming concrete seem to say movement—big movement. And they do move lots of cars—fast. If automobiles with normal loads were used exclusively on a separated freeway like the Holland Tunnel in New York, 2,625 people per hour could be moved past a point along the road. But this is small compared with public transit. If you were to fill the same lane with trolley coaches, about 10,000 people per hour could be moved through each lane; while a lane of streetcars on a regular surface street would carry 13,500 people an hour—five times the capacity of a lane of automobiles on a freeway. Rapid transit, operating on a private right of way, is real mass transportation. A subway or elevated line, with two local and two express tracks, can move 100,000 people per hour in each direction. Rapid transit is expensive, of course, but to move 100,000 people per hour by automobile would require 20 four-lane, separated highways. And these would cost about ten times more than an equivalent rapid-transit system.



Today public transit provides the bulk of transportation that we use in our everyday business and social life. In cities with populations over a million—where 10 percent of us live—the number of daily rides on public carriers is 98 percent of the population of those cities. And the parade to metropolitan areas continues. Eighty percent of the population increase since 1940 has occurred in communities containing 50,000 or more people. Most of that has been in suburbs on the outskirts of large cities. This only tends to worsen the already serious problem of moving people in and out of the congested business districts of our large cities.

We would rather not be told when and where we can drive our cars, but unless downtown traffic can move faster than the present five miles per hour we have no alternative. Traffic restriction is an ancient and disagreeable device, but it works.

The rush hours are the big headache—for the transit company as well as the individual driver. In some cities just elimination of street parking and stopping during traffic peaks would get traffic moving. Others would require greater cuts in rush-hour use of automobiles and trucks in congested areas. Proper freeways and fringe-area parking could take care of the long-haul commuter who prefers to drive most of the way. But public transit from the parking facilities into the congested area would have to be provided. No restriction will work unless there is adequate public transportation available for everyone who must use it.

But we seem determined to make it difficult for the transit industry to operate. A combination of sometimes discriminatory and excessive taxes, operating costs that have just about doubled in the last ten years, and declining revenues have squeezed the industry. Our governments—federal, provincial, and local—take 10 percent of the industry's operating income; and skyrocketing operating costs devour 80 percent. Wages alone take 55 cents of every fare-box dollar.

Income has not kept pace. Each fare increase, which is granted slowly and painfully, alienates some more of the meager affection the public has for public transit. Since the wartime peak in 1946, the number of rides per year on public vehicles has decreased 26 percent, while automobile use has increased. As a result, the transit industry averages less than three percent profit—in a regulated business that is usually limited to a fair profit of six percent by law.

Bigger and faster freeways by themselves cannot solve our rush-hour traffic problems. Public transit—mass transportation—must be the basis for any solution. Large-capacity public vehicles are the only transportation that can move crowds of people in and out of cities efficiently. And many people, for economic reasons, have to ride public transit. Whether streetcars, buses, trolley coaches, rapid transit or some new form of transportation furnishes a solution, each city must find the blend that best fits its need. There is no universal panacea. Kind and volume of passenger traffic, terrain, money—all these will affect the final decision.

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BIBIS YUKON MINES LIMITED
(No Personal Liability)

Sponsored by Bryan W. Newkirk

and Associates, Bibis Yukon has already been provided with sufficient funds ($215,000) to fully determine the ore-making possibilities of its favorably located property in the rich silver-lead-zinc area of Keno Hill, Yukon Territory. The same technical personnel now successfully developing other properties in the area, will direct operations at Bibis Yukon.

In Retrospect

this financial group has sponsored three other companies during the past year; their degree of success may be gauged by the following:

MACKENO — Developing rich silver-lead-zinc ore similar to adjacent Calumet-Hector property of United Keno Hill.

YUKENO — Shaft sinking on Formo group, one of many properties known to contain high grade ore owned by company.

QUEBEC COPPER — Ore tonnage indicated by drilling warrants mining operation. (Technical assistance by East Sullivan Mines.)

Shares of Bibis Yukon, presently traded "over-the-counter," are speculative.

NEWKIRK & CO. LIMITED
100 ADELAIDE STREET W.
TORONTO 1, ONTARIO

Nothing herein contained is to be construed as an offering of shares in the United States or in any place where the securities concerned are not registered and qualified for sale.

David Harum and Fleas for People

It was David Harum, we think, who remarked "that a reasonable number of fleas is good for a dog — keeps him from brooding over being a dog." In the same way, we suppose that the many minor worries and irritations from which all of us suffer serve their purpose. They keep us from worrying about many important things that would terrify us if we ever stopped to think about them for very long.

Yet there must be a better system, and we hope it will be adopted soon, for the number of so-called minor irritations has now increased to the point where many of us can no longer sort out all our separate troubles and are mainly worried about simply being so worried. Indeed, ours has been called "The Worried Generation".

The thought may be an unsanitary one, but perhaps fleas would be an improvement.

• • •

A.M.S. Group Medical Service helps a lot of people get rid of many of their worries — both major and minor — through its inclusive, low-cost protection. During the last five years A.M.S. has increased its Group benefits eleven different ways, without a single increase in rates. And, in these years of dwindling purchasing-power of the dollar that has really saved a lot of worry among subscribers.

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What's New

Manufacturers of products which are either completely new or are being made in Canada for the first time are invited to contribute to this column. Describe the product, state its purpose, outline in what respect it is new, and indicate its significance to its field.

Enquiries concerning items in this column should mention the heading to the item, and the date of issue in order to ensure prompt reply.

Sizes Up Your Swing

For backyard golf practice, latest gadget mounted about three feet off the ground holds a golf ball on a string. Hit the ball with wood or iron and it flies in an arc to fall in one of several slots on top of gadget. Each slot is marked to tell whether you hooked, sliced or hit the ball straight. Chart on side of device shows how far you hit the ball.

• • •

For Lengthy Use

Garden markers are now being made in Vinylite plastic and can be reused often. Said to hold their shape in hot or wet weather, markers are held by a 14-inch noncorrosive steel support, while the label is tilted for easy reading. Resistant to vegetable oils, kerosene, chemicals, etc., labels can also be attached to seed or bulb trays, or wooden garden stakes.

• • •

New Racket Press

A Netherlands company is manufacturing new type of press for rackets. Instead of using bolts with wing nuts at the four corners of the frame, two steel cords are used. One cord connects left-hand upper and lower corners of the frame the other the right-hand side, both cords passing through a perforated trapezoidal block of wood to which leather strap is secured which serves to tighten clamps. New press gives uniform stress and has no projecting parts.

• • •

TV Concentrates

New TV color concentrates are for special use in cellulose acetate filters and discs. Quick drying, the concentrates are for producing highly efficient 3-color television filter screens and 3-color rotating discs. Said to be light fast, the colors can be quickly applied to cellulose acetate sheeting with air-spray brush.

• • •

Quick Conversion

Detroit company is now making automatic heating unit which will burn either coal, gas or oil. The boiler is said to be quickly convertible to any of these fuels, in case a shortage of any one occurs.

• • •

Latest in Glass

New composition which is a special kind of photosensitive opal glass has been adapted to a new process, chemical machining, producing without the aid of mechanical tools, lace-like patterns hitherto thought impossible in glass. Method eliminates mechanical stress so that patterns can be reproduced with photographic accuracy and in any number.

• • •

Triple Bit

High quality screwdrivers are being made with a triple bit, which are interchangeable and will not chip or break, company claims. Since they are magazine-stored they cannot become lost; are plated and rust proofed. Handle of screwdriver is in non-inflammable amber plastic of high dielectric strength and can be imprinted.

• • •

Accurate Dispensing

Valve apparatus for use in cup drink machines which will assure same amount of syrup throw each time, regardless of the viscosity of syrup used, is offered by Connecticut firm.

• • •

Smoother Journey

A flat-top conveyor chain for use in bottling and canning operations does away with shunting bottles from one line to another. Bottles can take corners without chipping or falling off. Continuous flexible chains are used, consisting of crescent-shaped top plates of carbon and stainless steel, welded to chain links on a universal joint. Operating over cut-tooth sprockets conveyor flexes horizontally and vertically, curving around corners with radius as small as six inches.

• • •

New Catalogues

Safety in Industry — Brochure has been released by Morrison Products, Inc. of Cleveland, Ohio, showing use and importance of wheel guards on portable grinders.

Money Saver

Mistakes in counting money cost time and money. Save both by using NaPaGo's TUBULAR COIN WRAPPERS and "Pakoin" the handy filling device. Write today for samples and prices.

NATIONAL PAPER GOODS LIMITED

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Short Position At Montreal

MONTREAL (Staff) — Short position on the Montreal Stock Exchange totaled 7,786 shares in 34 issues at Aug. 31, compared with 6,946 shares in 32 issues at Aug. 15. Changes included:

Stock	Shares	Stock	Shares
Abitibi	+800	How. Smith	+215
C.P.R.	+200	Imp. Oil	+345
Can. Brew.	—955	Nat. Stl. Car	+100
Cons. Smelt.	+135	Price Bros.	+300

On the Montreal Curb Market, a short position of 68,450 shares in 21 issues was shown at Aug. 31, against 71,345 shares in 23 issues at Aug. 15. Changes included:

Stock	Shares	Stock	Shares
Anglo-Nfld.	—500	L. Is. Pete.	+2,000
Brown	—410	Monpas	+500
C. Candego	—9,000	Penn Cobalt	+1,000
Cons. Paper	+100	Un. Asbestos	5,000

MONTREAL STOCK EXCHANGE

Stock	Shares	Stock	Shares
Abitibi	1,300	Fraser Cos.	500
Algoma	150	How. Smith	215
Aluminium Ltd.	80	Imp. Oil	870
Argus	100	Int. Paper	111
Asbestos	75	Massey-Harris	225
Atlas Steel	25	McColl-Front.	400
Bathurst B	125	Mtl. Locomotive	100
Can. Cement	50	Nat. Brew.	25
Can. Steamship	50	Nat. Steel Car	100
Can. Locomotive	50	Noranda	50
C.P.R.	450	Price Bros.	425
Cockshutt Plow	25	Royalite	100
Cons. Smelters	270	St. Lawrence C.	450
Dist. Seagrams	475	Stand. Chem.	50
Dom. Coal B	250	W. Good. & W.	100
Dom. Tar & Ch.	125	Wpg. Electric	65
Famous Players	200		
Foundation	200	34 Issues	7,786

MONTREAL CURB MARKET

Anacon	1,500	MacLeod-Cock.	200
Ascot	6,100	Monpas	500
Brown com.	590	Montauban	120
Calgary & Ed.	200	Pac. Pete.	200
C.I.L.	50	Penn. Cobalt	1,000
C. Candego	10,550	Que. Manitou	600
Cons. Paper	790	Sherritt G.	2,000
East Sullivan	100	Un. Asbestos	41,200
Fed. Pete.	100	Un. Keno H.	100
Ford A	50		
Gaspe Oil	400	21 Issues ...	68,450
L. Island Pete.	2,000		

MARTIN-McNEELY MINES balance sheet as at Dec. 31, 1950, shows $31,109 current assets including $15,027 marketable securities with $12,670 market value against current liabilities of $3,738. A limited amount of diamond drilling on Red Lake claims in 1950 gave results which while encouraging were inconclusive, President C. J. Sanders reports. The Skeena River, B.C. option, in which Martin-McNeely had a 5% interest, has been dropped.

SOUTH AMERICAN GOLD & PLATINUM realized a net profit of $487,724, 26c a share, in the first six months of 1951 against $535,949 or 29 cents a share in the corresponding period of 1950. An increase in U.S. income taxes, retroactive to Jan. 1, 1951, is now under consideration in Congress, and if enacted as law, will diminish profits for the first six months as reported above.

HOW DUSTUBE® LICKED A DUST PROBLEM

and slashed heating costs

A prominent Canadian Paint Manufacturer is able to keep plant windows closed to save on heating costs, since installing a Dustube cloth tube type Collector. Workers formerly kept the windows open because of the dust created in the pigment mixing room. Instead of permeating the atmosphere, the dust is now trapped in the Dustube. Operators dump the color and filler without any precautions. The area around the mixers is completely clean due to the Dustube's high efficiency.

You, too, can depend on the Dustube for dust control that is engineered to your specific requirements. Write or phone for full details.

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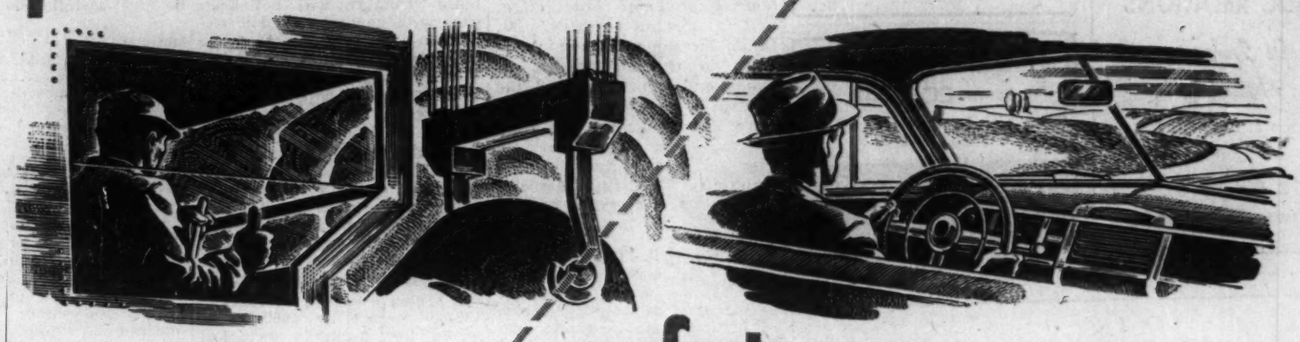


safety for you

Amid clouds of heat, sparks and fumes, the crane operator knows that Safety Glass by Duplate gives him perfect protection. As he pours the molten metal into the converter, he watches the operation from his glassed-in tower with crystal-clear vision and complete safety. This is just one of the many industrial applications of Safety Glass by Duplate.

For perfect vision and maximum safety when driving—always look through a Duplate Laminated Safety Glass windshield. All cars manufactured in Canada are equipped with safety glass. It is used to protect driver and passenger alike. If your windshield needs replacement, insist on Duplate Laminated Safety Glass. Remember, you look *safely* through *safety glass* by Duplate.

SAFETY GLASS BY DUPLATE
DUPLATE CANADA LIMITED

DUPLATE CANADA LIMITED — General Sales Office: Toronto, Ontario — Plants: Oshawa and Windsor, Ontario — MANUFACTURERS OF DUPLATE, DUOLITE, HERCULITE, ARMOURPLATE, ARMOURLITE, TUFLITE. 6-51

Five Day Week Now For Banks in 35 States

The movement toward a five day banking week (presently being sought in Canada), is making rapid progress in the United States where business in agricultural as well as industrial communities appears to be adapting itself to the custom.

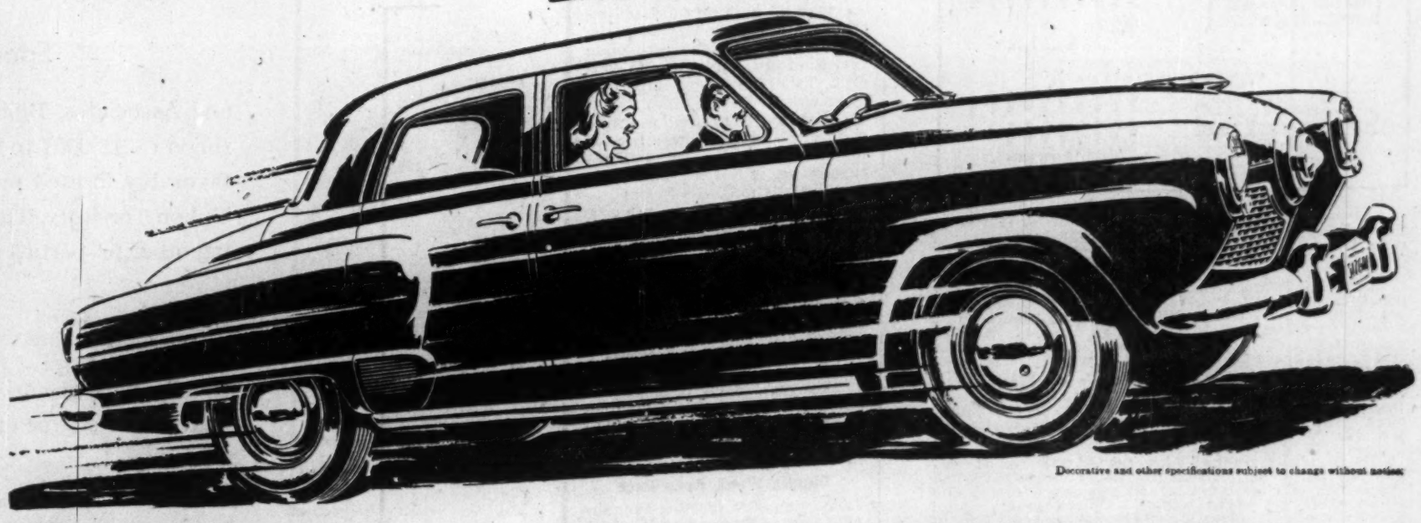
Of 35 states which have enabling legislation, five—Florida, Louisiana, Maryland, Minnesota and Oklahoma—reserve the rights to a five day week to limited areas; 23 specifically name Saturday as the day on which the banks may remain closed, nine state any weekday; one says Wednesday, Thursday or Saturday, another Saturday or Monday, and a third, Wednesday or Saturday.

First enabling legislation was passed in Delaware in 1935, New Jersey 1938; New York and California 1939.

Kansas, Nebraska and Vermont adopted five-day week legislation for the first time in 1951.

Get more mileage per gallon! Get a Studebaker Champion!

Top gas-saver and top value in its low price field!



Decorative and other specifications subject to change without notice.

2½ to 6 miles per gallon better!

In the '51 Mobilgas Economy Run, the Studebaker Champion's actual gas mileage* was 2½ to 6 miles per gallon better than that of the entries of the other largest selling lowest price cars.

*Studebaker overdrive, optional at extra cost, was used.

Buy a trim, sleek, powerful

NEW STUDEBAKER CHAMPION

One of Canada's lowest price full-size cars!

A CHAMPION IN EXTRA VALUE, TOO!

Big-visibility one-piece windshield . . . Brakes that automatically adjust themselves . . . Variable ratio "extra-leverage" steering . . . Tight-gripping rotary door latches . . . Soft-glow "black light" instrument panel dials . . . Automatic choke . . . Automatic spark and heat controls . . . "Heat-dam" pistons . . . Big capacity trunk . . . New longer wheelbase . . . Flight-streamed styling — no bulging excess bulk — no squandering of gasoline . . . Rich decorator-fabric upholstery . . . An extensive choice of body colors.

SEE YOUR NEARBY STUDEBAKER DEALER

BUILT IN CANADA . . . BY CANADIAN CRAFTSMEN

The Financial Post

Vol. XLV | Member of Audit Bureau of Circulations | Publication Office: Toronto September 22, 1951 | Fifteen Cents an Issue, Six Dollars a Year | No. 38

The Dollars and Cents of Religion in Canada

It Looks Like Big Business But Today's Church Goers Aren't Straining Themselves

Frank Chamberlain, Toronto writer who has long been connected with church and charitable activities, was invited by The Financial Post to bring together the whole business story of organized religion in Canada. Here is the result based on the written and verbal statements of church representatives.

By FRANK CHAMBERLAIN

Say it quickly and the $120 millions to $150 millions that goes into church collection plates in the 14,000 churches across Canada every year looks like big money; in a sense puts religion into the big business league.

But in fact it reveals that the church people of Canada aren't straining themselves—by any means.

Three centuries ago the churches could count on one-twenty-sixth of the national income (then, the harvest) for an operating fund. That was the tithe the early Catholic settlers paid into their parish treasuries.

The $120 millions to $150 millions Protestants and Catholics together contribute today amounts to little more than 1% of total personal incomes in Canada.

As part of our average spending pattern the church rates well down the list.

We spend six or seven times as much ($1,026 millions) on tobacco, alcohol and beverages.

We spend nearly three times as much on the combined services of the doctor and the undertaker.

Our spending on church rates alongside what we spend on personal attire, what we spend on drugs and cosmetics or what it costs us in soap and cleaning supplies.

But it's about three times what we spend on sending our children to private schools and universities.

How does this figure of church giving break down?

Of this sum only the Protestant portion ($75 millions to $90 millions) can be arrived at on any certain basis. The Catholic figure is a cautious estimate based on rough average per capita givings in a cross section of the Catholic community in Toronto. Only a canvass of the 3,780 Catholic parishes could provide a truly accurate figure, for the Catholic Church is not organized on any national basis and even regional (diocesan) organizations keep but scant tally on individual parishes. Giving weight to the $45 million-odd figure for Catholic giving is the observation of priests close to convert work that Protestants generally give to their Church person for person twice the Catholic giving.

The Number of Churches

Add up all the churches in Canada—Protestant and Catholic—and you reach a total (in round figures) of 14,000. That's one per thousand of the population. And that's not including numerous missions and chapels of major communions and minor sects.

The figure of 14,000 breaks down this way for major communions:

The Catholic Church, by far the largest religious group in Canada has 3,780 churches with resident pastor, 1,961 missions and chapels served by 11,500 priests, including the hierarchy.

The United Church of Canada, largest of the Protestant groups, has 2,678 pastoral charges and 6,368 "preaching places" most of which are organized congregations with church buildings.

The Church of England in Canada claims 2,000 churches and 2,500 preaching places. The Baptists have 1,234 churches, the Lutherans, 1,012. The Presbyterians have over 1,000 church buildings made up as follows: 433 self-sustaining charges, with 668 congregations in them; 107 augmented charges, i.e., in which the stipend is supplemented, with 191 congregations; and 187 mission fields, with 321 congregations or groups. The Pentecostal Assemblies number 520, the Free Methodist Church 75, the Church of Christ (Disciples) 78, the Evangelical United Brethren 68, the Salvation Army 350 citadels, the Christian Scientists 74 churches and societies. Small sects have hundreds of churches.

The Churchgoers

In census returns virtually the entire population claims religious affiliations, but church rolls of active membership tell another story.

For major Protestant communions the figure can be cut by half; for the Catholics it's reckoned that not more than 75% of those who declare themselves as such actually attend church regularly.

Even so, this makes about one in every two of the population an active church supporter.

The figures:

Catholic: over five million (though this includes babes in arms and the purely nominal Catholics mentioned above).

The United Church claims 1,965,300 people under its pastoral care. Actual membership of the United Church of Canada, consisting only of those who personally declare their Christian faith, is 821,199, according to the 1950 figures, just published. This church adds about 25,000 to 30,000 new members "on profession of faith" annually.

Third largest group is the Church of England in Canada, for many years strongly subsidized by its mother church in Britain, but in recent years standing on its own financial feet. The last Anglican membership check-up was in 1948. Then there were 938,000 people listed in the 27 (now 28) Dioceses of that church. Half a million of that membership are "confirmed" in the church. The Anglicans add about 40,000 members a year by baptism. The 1941 census figures give the Anglicans 1,751,588 adherents, but Anglican officials are the first to admit that thousands of individuals who claim to be Anglicans are not seen reading the Book of Common Prayer in Anglican churches.

Presbyterians and Lutherans run neck to neck for fourth place, the Presbyterians with 176,442 communicants at the end of 1950, and the Lutherans with 175,786 members. (Of the latter 37,922 are in Central and Eastern Canada, the remainder in the west.) The Baptist Church with its three Conventions (Baptist Convention of Ontario and Quebec, Baptist Union of Western Canada and United Baptist Convention of the Maritime Provinces) numbers 141,239, although 483,592 told the 1941 census takers that they were "Baptists."

The other religious denominations are each well under 100,000 in membership.

The Jewish population is relatively small. The census figure is 168,367. Religiously, they are divided into three principal groups, Reform, Conservative and Orthodox. No central Jewish headquarters exists in Canada, and therefore Jewish givings are not easily available. It is known, however, that Jews are liberal contributors not only toward their own religious activities but toward health, welfare and cultural projects as well.

Finances

In Canada and United States denominations report membership and finances are "booming." This is contrary to the belief that churches thrive in times of depression. Both Protestant and Catholics claim increases of around 3% per year although it must always be remembered that churches have different methods of compiling statistics. Protestant churches start counting members at the age of 13, while Catholics are church members at birth.

The congregations of The United Church raised for all purposes last year $24,721,479 (roughly twice the sum 54 Community Chests will seek to raise this year). Of the total givings, $4,584,114 went to church headquarters in Toronto for mission work of various kinds at home and abroad, colleges, schools, pensions and general administration.

The Anglicans, who have total diocesan capital funds of around $12.5 millions and a consolidated trust fund of some $6.5 millions, last year collected $8,009,701.

Canadian Baptists gave for all purposes last year $3.5 millions (25% to 30% of which was used for home and overseas missions); the Lutherans gave $1,073,120; the Evangelical United Brethren $333,553. The smaller denominations account for only about 6% of the population so what they raise is small in comparison with the givings of the larger communions.

Catholic giving, as already noted, is difficult to arrive at, but generally is considered to total between $45 millions and $60 millions apart from special collections.

Nowhere in this have I included the YMCA's, YWCA's, WCTU's, various Bible societies and the numerous Catholic organizations.

Officials told me that the volunteer services of top-flight financiers enable the church to raise its funds more economically than any other fund-raising organization.

Most religious groups employ auditors to make up their financial statements though this isn't true of all local congregations among the Protestant churches even where annual budgets are in excess of $100,000.

In the Catholic Church each parish must make a detailed statement of moneys spent and received to the Diocesan Chancellor every three months. Purpose of such reports is to enable the Chancellor to keep an eye on how finances are being handled, whether the pastor is "over-living," how the parish is fixed for meeting debt and other obligations to the diocese.

Sit in on one of the regular meetings of the Board of Finance of The United Church and you'd think it was a meeting of directors of one of our great banks or commercial enterprises. This church has some $4 millions in reserve as working capital and for emergencies. In addition it has another $15 millions in trust funds, of which $12 millions has been given for pension purposes only. The 21 United Church colleges and secondary schools have endowment funds totaling nearly $9 millions.

Let's examine the finances of the Presbyterian Church in Canada.

"Church revenue has not kept pace with the tremendous increase in wages, bank deposits and national income," an official said. He pointed out that in 1949, Presbyterian revenue was just under $5 millions a year, while Canada's national income had risen to $12½ billion. "Canadians haven't yet learned how to give to church work; we lag behind American churchgoers," he said.

The Presbyterian church has assets in reserve funds of $4,214,707 ($1.5 million of which is in its pension fund). Revenue in the past four years has advanced 50%. Last year the increase was 18.2%. A little over 700 congregations gave $100,000, more in 1950 than in 1949.

Total money raised for all purposes by all Presbyterian Churches in Canada in 1950 was $5,346,454 compared with $4,755,593 the previous year, showing an increase of $590,861. Of the total sum raised, $550,439 went toward the general budget of the church, ($93,838. more than the previous year).

Unlike other churches, the givings of the Woman's Missionary Society is included in the above figures. The actual amount raised by the women was $235,472 and it was spent on the Chinese in Canada, Indian residential schools, deaconess work, children's work, immigration and social service projects.

Now let's take a quick look at some other Presbyterian statistics: they have 724 ministers, 100,271 families, 564 manses, 915 Sunday-schools, 8,095 teachers and officers and 56,113 pupils. Presbyterian ministers receive a total of $1,300,457 from congregations, plus $125,000 from the "augmentation fund" and special grants from the Senator Paterson fund.

What People Give

Canadian churchgoers show up very poorly in comparison with their American brethren when it comes to giving to the church according to published figures. Baptists in Ontario and Québec are said to be the most generous. They give $38.22 a year per church member. The Baptists in Western Canada are a close second, with $34.81 each. Presbyterians are third with $30.30 per person. United Church members are next with $27.20. Maritime Baptists give $20.11 each.

Neither Anglican nor Catholic givings per person are available. A guesstimate for Catholics in the average working to middle class Toronto parish is 15c per week per person (that includes every member of the family) for purely parish work, plus perhaps $6 per family per year for special collections.

On figures that are available the average non-Catholic Canadian churchgoer gives $29.49 a year for church support.

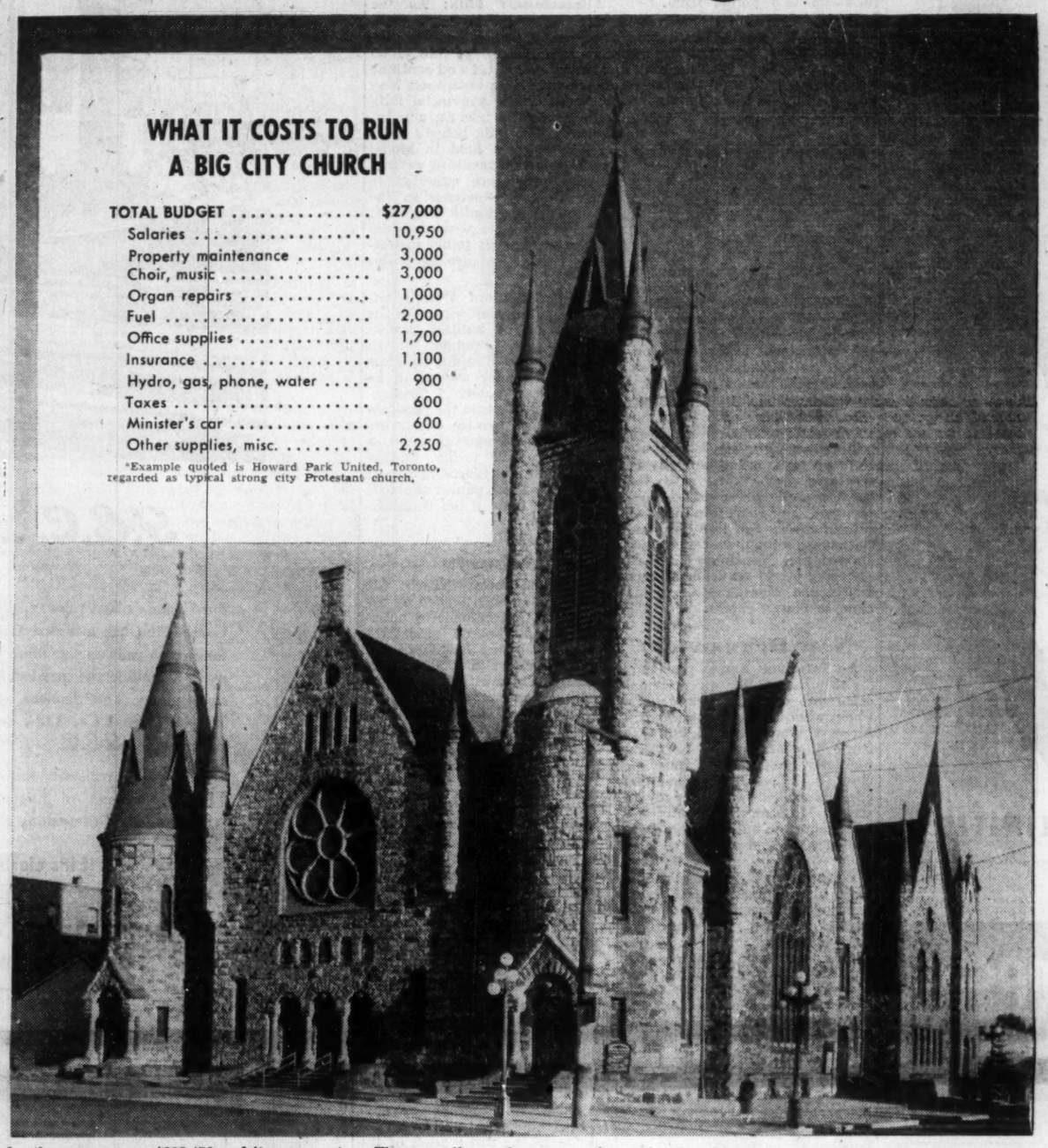
In the United States non-Catholics average $105 a year. Here are the figures:

	Per Capita Giving	Total Giving
1. Free Methodists	$148.21	$5,935,616
2. Seventh Day Adventists	136.85	32,222,804
3. Wesleyan Methodists	126.74	3,947,721
4. Evangelical Mennonites	118.99	166,747
5. Missionary Church Association	111.95	617,214
6. Church of the Nazarene	101.77	22,096,555
7. Presbyterian (Orthodox)	84.53	468,589
8. National Fellowship Brethren	77.75	1,434,669
9. Brethren in Christ	76.55	434,899
10. Damascus, Ohio, Friends	74.89	425,150

Now these figures can give a wrong impression. Baptists show up well, in part because their membership requirement is very strict, and they have few nominal or young members below earning age. The small sects show up as generous givers, because they are usually a devoted group of adult members. In the membership of the larger communions there are a great many who claim membership with the church-in-general but who aren't allied with any particular congregation and don't pay.

Having said this, one must admit that the average giving per member in the larger communions is very small.

For a small congregation, a large sum per member may be essential; for a large congregation, a smaller amount per member meets the cost of upkeep.



WHAT IT COSTS TO RUN A BIG CITY CHURCH

TOTAL BUDGET	$27,000
Salaries	10,950
Property maintenance	3,000
Choir, music	3,000
Organ repairs	1,000
Fuel	2,000
Office supplies	1,700
Insurance	1,100
Hydro, gas, phone, water	900
Taxes	600
Minister's car	600
Other supplies, misc.	2,250

*Example quoted is Howard Park United, Toronto, regarded as typical strong city Protestant church.

Thus small rural congregations usually pay more.

Special Campaigns

Right here it ought to be said that annual givings mentioned so far do not include special capital fund campaigns. The Anglicans, for instance, raised $4 millions five years ago for pensions, missionary and educational expansion, social services and bombed-out churches of Britain and Europe.

The United Church raised $4,900,000 in 1946-48 to strengthen its pension fund. In 1942 that church raised another $1,200,000 to wipe off a treasury deficit incurred in the years of depression.

Currently The United Church is seeking to raise $3 millions (over $1 million of it coming out of reserves and annual missionary and maintenance givings) to assist new and weaker congregations build churches, Sunday-schools and manses.

The Baptists raised $450,000 for their work in the year after World War II. Presbyterians raised more than $1,500,000 in their "peace thankoffering."

The Catholic Archdiocese of Toronto which has seen its flock doubled in the last 15 years this year campaigned for and received pledges for $200,000 for seminary and diocesan development. Most of this money is earmarked for land purchases in the program to build 15 new parishes. Once the land is bought and the parish established, each pastor will then be campaigning for a building fund for his church.

The 10 churches in this program, under construction or to be built, will likely cost an average $60,000 apiece (the cost of the last to be completed, St. Charles Borromeo in North York, serving 200 families). Thus this current Toronto Catholic program may well run into $1 million and more.

The Foreign Missions

Canadian churches, both Protestant and Catholic, are great advocates of the missionary enterprise. Rev. Harry C. Priest, of Toronto, secretary of the Canadian Overseas Mission Council, said that the overseas missionary givings of four communions (Baptist, Anglican, Presbyterian and United) if added to the givings of the British and Foreign Bible Society would total $2,121,908 annually.

Literally hundreds of schools, hospitals, orphanages, leprosy centres and other institutions abroad are financed by Canadian churches. These are in India, Japan, South Africa, Bolivia and other distant places.

Until recently thousands of Canadian dollars went to China, but when the communists took over they made it clear that the money of "foreigners" was not wanted. The United Church, under duress, handed over its entire property in China to the Church of Christ in China; Catholic property is being seized by the Government, priests, nuns and lay workers imprisoned. Nearly all United Church missionaries have been out of China for some months. Most of the other denominations' missionaries, except the Catholics, left recently.

The Canadian Baptist Overseas Missionary effort, under Rev. Dr. J. B. McLaurin operates in India: 13 hospital dispensaries. 350 lower elementary schools, 25 higher elementary and middle schools, one European school, two high schools, two normal schools, two theological schools, 13 boarding schools, one orphanage, two nurses' training schools, and four leprosy centres. In Bolivia they operate 15 day schools and one seminary, and have four nurses who hold regular clinics.

There are nearly 100 various mission boards and societies in Canada and United States and the total expenditures of these organizations for 1949 was $37,635,603. That's for overseas missions alone.

A single church in Toronto called the People's Church has more than once raised $30,000 in one evening for missionary work abroad. The China Inland Mission has 1,100 missionaries in their 371 overseas mission stations. The Sudan Interior Mission also sends large amounts of money overseas.

In the Catholic Church, missions are operated in all parts of the world. Some parishes make monthly collections for the African missions; all have yearly special collections for some form of missionary enterprise.

Within Canada, the Catholic Church Extension Society is responsible for mission work in the seven vicariates in northern territories; has built over 1,000 chapels and has sent forward over $1 million to Canadian missions in the last three years.

The Colleges

Practically all the denominations operate theological colleges or secondary schools. Financing of these institutions is, in most cases, separate from ordinary church funds. The Baptists, for instance, have tremendous funds tied up in McMaster University, Hamilton, ($2 millions in reserve) and Acadia University, Wolfville, N.S. ($1.2 million in reserve). The Church of England in Canada operates Trinity College and Wycliffe College, Toronto, but Anglican headquarters had no estimate of their finances. Presbyterian figures are given later on in this article.

It costs $400,000 a year to run McMaster, $300,000 a year to operate Acadia, $60,000 a year for the Feller Institute and $50,000 to $60,000 a year for Moulton College.

Operating costs of the United Church's 21 colleges and schools for a current enrollment of 10,000 totaled last year $2,956,566.

The Catholics have 38 theological colleges in Canada — 17 operated by dioceses and 21 by clerical communities (e.g. the Basilian Fathers) who operate these institutions as part of their worldwide order.

Cost figures comparable to those given above are not available but as a basis for frequent appeals by the Catholic Church Extension Society "to adopt a young man preparing for priesthood" $400 is quoted as the per-candidate cost of tuition for the priesthood.

Latest figures published by Extension show donations coming at the rate of $500 a month over the last three months for this purpose.

Property Values

I had difficulty when I tried to establish the value of church property in Canada. In the first place, churches are not assessed, so the property value isn't registered anywhere. Some, like the Baptist Church, were unwilling to state the value of their church property because they said the cost of building and today's replacement value would be so entirely different. The United Church values their church property at $143,911,196. Properties held by the Board of Home Missions and other Boards would add another $12 millions. Colleges and secondary schools would jump the figure again by $10,250,000 (not including revenue-producing assets) bringing the total to $166.1 millions.

The Church of England values its churches, rectories and parish halls at $65 millions. Wealthiest diocese of the church is the Incorporated Synod of the Diocese of Toronto. York Rectory Fund has investments totaling $3,250,751 and real estate valued at $236,187. New churches completed or in process of completion are valued at $1 million.

Comparable figures for the Catholic Archdiocese of Toronto are not available nor are annual statements published, since the diocese, under the constitution of the church, is answerable only to the Vatican.

Some measure of the financial position of the archdiocese may be found, however, in debt position made at intervals (not always annually) to the parishes.

Latest of these (for 1946) showed that over a 10-year period since the present James Cardinal (then Archbishop) McGuigan took charge, parish debt had been decreasing at the rate of $300,000 a year. Today the $4 million debt which the Cardinal inherited is now just about wiped out and new debt for churches in 15 new parishes created this year is in the making.

The Salvation Army places a $12.5 million value on its property, the Lutherans $10 millions.

Best estimate of the value of property used for religious purposes in Canada by non-Catholic churches is close to $400 millions. It has been suggested that Catholic religious property might be about the same figure though this, of course, does not include vast holdings of real estate in seminaries, convents, orphanages, high schools, monasteries.

New Church Building

From the Maritime to the Pacific coast never has there been witnessed such feverish activity in building new churches. While downtown city churches of established communions continue to close or be sold to small sects, new church buildings go up in the fast-growing suburban areas.

The current building program of the Baptists adds up to $930,000 for the Toronto area where eight new churches are under construction or planned; $995,000 for construction of nine new churches in other cities. These range in size from a $425,000 edifice for Halifax, two $200,000-plus projects for Toronto to several $40,000 and $50,000 chapels in smaller cities and suburbs.

Eighteen building projects of the United Church for the Toronto area add up to $1,943,000. This includes 10 new churches ranging from $100,000 to $225,000.

Anglicans and Presbyterians are, to a lesser degree, busy building new churches. There's a new $400,000 Anglican Church going up in Toronto's Kingsway, for example. And the Seventh Day Adventists in Ontario recently announced that they would build a new million dollar hospital in Toronto suburbs. Add to this the Catholic program of $1 million-plus in the Toronto area alone and you get $6,338,000 worth of new churches, manses, Sunday-schools, additions and improvements, including a million-dollar hospital. And it's but a fragment of the church building that is going on across Canada this year.

Requests

I haven't said anything yet about the huge sums of money left to churches in bequests. The Presbyterian Church does well in this field. The late Col. J. B. Maclean left $750,000 to that church. The Penman Estate left $300,000. In 1948 Presbyterian bequests totaled $217,282; 1949, $123,656; 1950, $115,827.

Largest bequest to The United Church was $500,000 from the estate of the late Sir James Aikins, of Winnipeg. The late John H. Holt, of Quebec City, left $315,000 to the United Church. The late Alfred J. Mitchell, of Toronto, left $150,000 to three specific projects of The United Church, and the residue of his estate to promote preaching missions and temperance education in Ontario.

In its 25 years' history The United Church has received a total of $4.5 millions in this manner. In 1950, the bequests totaled $282,000.

The Baptist Church has knowledge of a man still living who has written $500,000 into his will for his church. The Salvation Army receives between $200,000 and $250,000 a year in bequests.

Pay For Clergy

Complaints that ministers are paid too much money are few and far between. While some city ministers may receive over $10,000 a year (for top pulpits) the average minister receives around $2,000 and a free house. A Baptist minister gets $2,000 a year and a manse, and there aren't a dozen Baptist ministers getting less than that. Salvation Army officers (married) get $1,768 a year. Single men and girls receive about $17 a week.

A minister in the Evangelical United Brethren Church receives $1,700 a year as a probationer and $2,000 when he becomes an elder. A Catholic pastor gets $40-$50 a month plus rectory and housekeeping. But the Catholic priest is not married, therefore has no family problems.

I, personally, have been a church member for 45 years. As a publicist I have worked for all the major churches, (excepting the Catholics) and smaller ones like the Salvationists, the Jews and the Friends.

I say this to indicate that I know something of the inner workings of most of Canada's religious denominations. And I want to say that if Canadians were giving more money to their churches they would pay less in taxes for the upkeep of prisons, reformatories, mental hospitals and social welfare budgets.

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Provincial Roundup

Newfoundland

Cost Index: A new cost-of-living index for St. John's, the ninth Canadian city with its own index, has been compiled by the DBS. Others are Halifax, Saint John, N.B., Montreal, Toronto, Winnipeg, Saskatoon, Edmonton, Vancouver, all with a base period of 100 at August, 1939. The St. John's index has a base period of June, 1951, and at July 3 touched 101.3—up 01.3 points from the June, 1951, base. Previously the Newfoundland capital had a cost-of-living index prepared by the provincial Department of Supply with October, 1938, equalling 100. Now discontinued, the old index stood at 185.4 for June, 1951.

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Prince Edward Is.

Forestry Conservation: Prince Edward Island is restricting the cutting of timber on private farms and woodlots. Alarmed at indiscriminate cutting to fill lucrative orders from New Brunswick for pulp wood, the province has started a Forestry Advisory Service, is limiting owners to cutting on two acres per year, with provisions for cutting more on a permanent basis. Some objection is already noted from farmers who found pulpwood a convenient cash crop in an otherwise lean year.

Paving Programs: Many small communities on the Island are carrying out extensive paving programs this year, with the assistance of the Provincial Government. The latter is putting up 60% of the cost of semi-permanent paving if the town can finance the balance. Kensington is hard surfacing all its gravelled streets, Souris and Montague are going along to a lesser extent.

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New Brunswick

Air Terminal: Saint John's new multi-million-dollar air terminal came into official operation last week when a Maritime Central Airways plane touched down to mark the arrival of the first regularly scheduled flight and the close of scheduled commercial operations at the old Millidgeville airport. Work on the new airport's administration building and grading of a second runway is still under way.

Potato Prices: Reduced potato crops in Canada and the U. S. are expected to mean "considerably higher" prices this year than those paid last year for New Brunswick's potato crop. Ontario plantings are down 23,000 acres from last year, the P. E. I. harvest is expected to be down by 35% and it's estimated that plantings in New Brunswick are down to some 49,300 acres compared to 59,000 acres last year. Prospects to the N. B. crop have been described as "very good," though some blight has been reported in recent weeks and at present hot, dry weather is needed.

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Quebec

City Maintenance: Maintenance of city property in 1950 in Canada's largest city cost $1,863,046, considerably up over 1949, it is reported at Montreal. The city itself is the biggest property owner in Montreal with city-owned land and buildings valued at a total of $108,959,766, $42,548,-252 of which represents public squares, parks, playgrounds, etc. and $6,628,464, vacant lots available for purchase.

Algoma Grant: Algoma Steel Corp., Sault Ste. Marie, Ont., has decided to establish a $250,000 chair at the Laval University (Quebec) School of Mines, according to Premier Duplessis. He stated the company's board of directors authorized the expenditure Aug. 27, will make annual payments of $10,000 for 25 years. In addition, Algoma has authorized two $1,000 scholarships to Laval for five years.

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Ontario

Low-Rent Housing: Tenants are expected to move in before the end of the month to the first of five units of eight apartments each erected by Owen Sound Housing Co. Ltd. at Owen Sound, in a scheme that may become a model for similar developments in other Ontario cities. The three and four-room apartments will rent for $22 and $27 a month, provide homes for old age pensioners, widows on mothers' allowances and veterans on partial pension. The scale of rents is expected to pay off the interest and capital cost of $200,000 of the apartments in 50 years. The buildings, constructed by Clark Construction Co., of Owen Sound, were financed by a 90% loan from Central Mortgage and Housing payable in the 50-year period at 3%. The city's share of the cost was $20,000.

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Manitoba

High Grade Priority: Priority on rail movements to the Lakehead terminals will be given this fall to high grade wheat and carlots of malting barley, flax and rye. The Canadian Wheat Board has granted the priority to help ease congestion at Lakehead terminals. Oats, low grade wheat and feeding grades of barley will not be loaded from any elevator that has higher grades of wheat on hand. The supply of feed grain at the Lakehead or en route is said to be enough to meet current demand.

Trans-Canada Highway: Work on the Trans-Canada Highway in the Manitoba section west of Headingley to Portage la Prairie is expected to start this fall. The route will necessifate construction of two new bridges. The province has picked the Niakwa Road route for the eastern entrance of the highway into Greater Winnipeg, has started negotiations with St. Boniface and St. Vital for property needed. The province is seeking about 10 acres from both communities.

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Saskatchewan

Alternate-Day Milk: As the trial city for the system in the province, an every-other-day milk delivery plan will go into effect in Moose Jaw Oct. 1 and continue on the trial basis until next May 31, B. A. Cooke, provincial milk control board chairman announced. The milk board's order follows hearings held in Moose Jaw last spring; resulting savings in distribution are expected to avoid an early increase in the consumer price of milk. The order does not apply to wholesale deliveries to hospitals, public institutions, hotels, restaurants, stores or schools.

Gas Distribution: Private enterprise might play a part in the transmission of natural gas in Saskatchewan, Premier T. C. Douglas indicated in a speech last week. In a later statement, he stressed three points: 1. Production of natural gas in the province is a field for private enterprise. 2. Retailing of natural gas is a field for public utility. 3. The government is prepared to discuss with private companies the part they might play in the transmission system.

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Alberta

Aid to Schools: Nearly $16 millions have been loaned by the Provincial Government to municipal school boards since the School Borrowing Assistance Act went into effect in 1950, government figures show. Edmonton got the largest amount with $5,394,285 for the public school board and $740,000 for separate schools; Calgary was second with $1,579,000 public and $240,000 separate. By advancing 20% of government approved borrowing, 10% to be repaid in 10 years without interest and 20% to be repaid at 3½% (to the school lands trust fund), the program reduces to 50% the amount of authorized school debentures to be offered on the investment market.

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British Columbia

Age Pensions: The British Columbia Health and Welfare Department will start Sept. 17 to receive applications for old age pensions to persons in the 65-69 age group, Health and Welfare Minister A. D. Turnbull stated. Premier Johnson announced the pensions will be paid on "an eligibility test basis." The government's proposal will be on the agenda in the fall session of the Legislature, opening Oct. 22. Applications have been called now to facilitate inauguration of the scheme Jan. 1, 1952.

Average Wage $52.66: Weekly wages in B. C. at June 1 averaged $52.66 compared with $47.38 on the same date a year ago, according to DBS figures released last week. Index of employment in non-agricultural industries on June 1, stood at 197.7 (1939 base of 100). Department store sales for June this year were 4% higher than in June, 1950. Sales for the first six months of this year for the department stores were valued at $53,920,000 compared to $48,320,000, a percentage gain of 11.6. Index of wholesale sales dropped from 441.5 in May to 421.2 in June of this year in the province.

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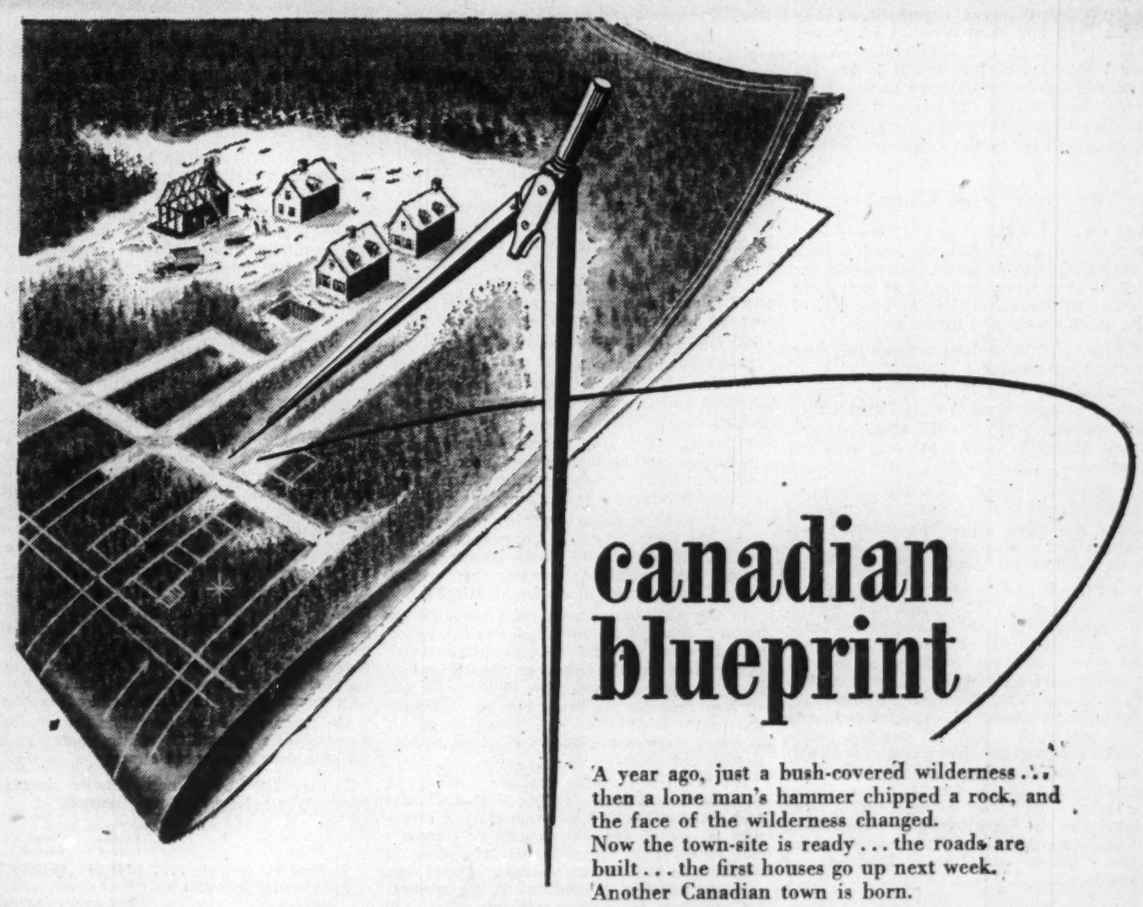
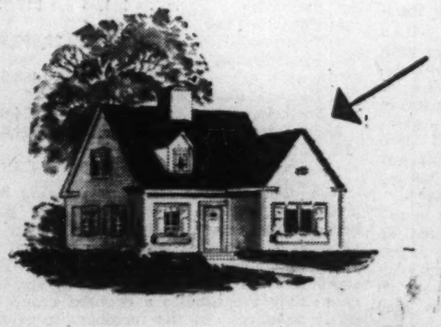


canadian blueprint

A year ago, just a bush-covered wilderness . . . then a lone man's hammer chipped a rock, and the face of the wilderness changed.
Now the town-site is ready . . . the roads are built . . . the first houses go up next week.
Another Canadian town is born.

This pattern is being constantly repeated throughout Canada. Although the unsettled international situation may slow it down, it can not stop it. With the birth of each new town come the people, Canadian families seeking and finding the promise of a richer fuller life that is offered every one of us. New employment means new incomes — the power to buy the worthwhile goods that make for better living.



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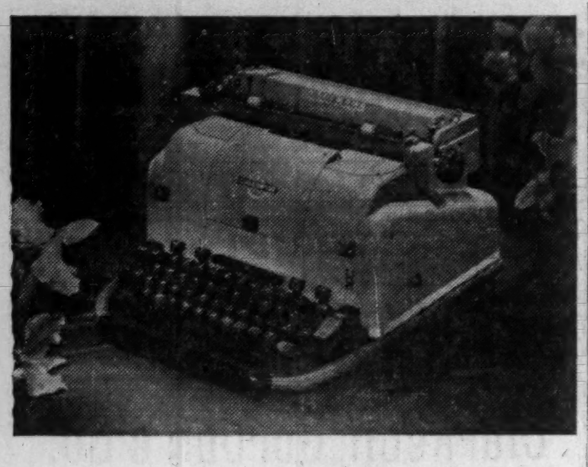

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Small Communities to Gain In Our Industrial Growth?

After a decade of industrial expansion unrivalled anywhere in the world, where is Canada headed today? F. J. Lyle, Director, Trade and Industry Branch, Ontario Department of Planning and Development, discussed current trends in Canadian industrial growth in a speech to the annual conference of the Provincial Governments Trade and Industry Council in Calgary this week. Here is a digest of Mr. Lyle's address:

By F. J. LYLE

This new Canada is a young industrial giant who has matured at a breath-taking rate during the past 10 years.

It was this period that we passed through a series of major developments which together comprise nothing less than an industrial revolution.

The physical volume of Canada's industrial production has been more than doubled in the last decade. The significance of this achievement has apparently escaped most Canadians, for I know that it has created more stir in New York and London than it has in Toronto or Calgary. Here are some of the highlights of that expansion:

In primary iron and steel production, Canada has tripled its volume of production.

Volume of our production of transportation equipment has also been expanded threefold.

In electrical apparatus and supplies we are now producing at a rate four times the prewar volume.

The generating capacity in our central power stations throughout the country has been increased by more than 60% in the last decade.

In oil, our known reserves have increased to a point roughly 25 times the level when Leduc was discovered only four short years ago.

Unmatched Record

No other nation in the world can match this record of industrial development during the past decade. No nation has ever achieved such a substantial development over such a broad range of industry and resources in any decade.

In June of this year the volume of production for all manufactured products in Canada stood at 229.3% of the average of our production for the years 1935-1939.

This expansion and maturity of Canada's manufacturing industry is influencing the lives of Canadians today to a greater extent than any other single factor in our economy.

Employment in manufacturing has just about doubled since 1940, and the aggregate payrolls in manufacturing are now four times the prewar total. Because more jobs opened up in the factories across the country during the past 10 years, some 300,000 Canadians left employment in agriculture. Our very impressive agricultural production could never have been maintained in the face of this exodus, had it not been for the increased mechanization of our farms.

The impact of our industrial development on our foreign trade has produced some startling results. Our best customer was the United Kingdom and the Commonwealth of Nations. These nations emerged from World War II with some serious trading problems of their own—chief of which is their common lack of dollars.

So, in a few postwar years, our manufacturers have been forced to replace those markets by finding new export outlets in the United States. This they have done with astonishing success. But the ominous fact is that 70% of our exports now go to the United States, and however you view our current trading position you must admit that we have placed a lot of eggs in one basket.

Further, not all of our manufactured products are likely to find a ready and permanent market in the United States. So it is still important that we continue to serve overseas markets whenever and wherever we can.

Manufacturing Must Grow

We will also follow a prudent course if we strive to control and minimize the U. S. content in our own products on the one hand, and attempt to increase the manufactured content of our exports to that country.

To put it bluntly, we cannot expect to pay for Cadillacs by selling wood pulp, or grain or iron ore alone. Or, stated another way, it will take prodigious tonnages of raw materials to pay for all the finished products we do buy abroad. For example:

A ton of iron ore, mined in Canada and sold to a foreign steel company, brings Canada a revenue of about $10. When the same ton of ore is smelted in Canada and turned into a wide range of steel products it becomes Canadian manufactured products with a retail value ranging from $80 to $90. It takes no wide stretch of the imagination to calculate the benefits to Canadians from the translation of our raw materials into end-use products.

In the simple illustration just mentioned, the gain is at least $70 per ton of ore—a sum that finds its way into a great many pockets and benefits Canadian workmen, wholesalers, retailers and consumers.

The impact of our industrial development has been felt by our transport system, which is a vast and complex network so vital to a country with a relatively small population scattered across such a huge territory.

At times, various of our transport lines have been strained to keep up with the traffic thrust upon them. In fact, one of our most pressing problems of the day (from the standpoint of further industrial expansion) is the efficient and economical movement of goods and people.

Population Growth

The most reliable estimates as to our present population range from 14.3 millions to 14.5 million persons. Thus our population has increased by approximately three million persons in the past decade.

Does anyone suppose that our growth in the next decade will be any less? Without any qualms, I predict that Canada in 1961 will consist of at least 17 millions.

While immigration from abroad has been an important factor, the current rate of immigration is a trickle that should be encouraged to become a torrent.

One single fact sticks out in our development. It is the unique position occupied by this new Canada today. No other nation is tapping the treasure and skills of the best industrial nations of Europe, plus those of the United States.

Not even the United States has neighbors who are contributing to her development as a great many nations (including the United States) contribute to ours. It is a sobering thought that the best production and financial brains of the outside world sees the Canadian destiny more clearly than do many of us.

Steady Plant Expansion

The most outstanding and promising feature of our industrial development of the past decade has been the steady, almost inexorable investment in new and additional physical plant. In the past five years alone, new investment has been at the rate of 20% of the gross national product. In that short period, we have doubled our facilities to produce.

If we take the average rate of growth of our population over the past 100 years, and project it, we come up with the prospect of an additional population of seven million persons 25 years hence. If this growth follows the pattern of the past 10 years, no fewer than five millions of these new citizens will live in Canadian towns and cities.

Five million people can be just another figure. They can also be visualized as comprising 40 cities of the present size of Calgary. It has been carefully reckoned that the cost of urban living accommodation and services at today's prices is $4,000 per capita. On this basis, the urban expansion of the next 25 years will entail an expenditure of $20 billions for housing and a whole host of municipal services required for urban housing.

Planning at the community level will largely determine the value our people will get for that $20 billions.

The dividends to municipalities that attract industry through good management and planning are substantial. The impact of an industry employing only 150 persons is very noticeable in our smaller cities and towns.

A recent study of what such an industry means—in payroll dollars and in other revenue that arises from its purchase of materials and services—points up the significance of industry to our municipalities.

A Canadian plant employing 150 men entails, on the average, these material benefits:

Support for one 22-room school and its teachers; 110 occupied homes; a livelihood for 24 professional men; purchase and operation of 135 automobiles and services for them; 33 retail stores and annual sales of 325,000; support for 6,600 farm acres whose products are consumed by the factory employees, their families, and the facilities of those tradesmen and others who are sustained by the factory.

Small wonder that our towns and cities are seeking new industry.

In this competition for expanding industry, it is by no means certain that the largest Canadian cities will get the lion's share of the spoils. Today we find in our work two quite definite and supporting trends:

(1) Top management is looking to smaller towns and cities as the best class of factory location that will provide the background essential to the maintenance of a contented labor force.

(2) The working man as such is becoming more discriminating as to the environment he wants for his wife and family.

In a sense, both these trends are an expression of our free enterprise system. Because our densely populated areas are filled up, industry cannot find the much larger factory sites now required. And management is conscious that high living costs in our larger cities make for high labor turnover, even at high rates of wages.

The basic sanity of the Canadian workman is the other factor that is giving the edge to the smaller cities and towns.

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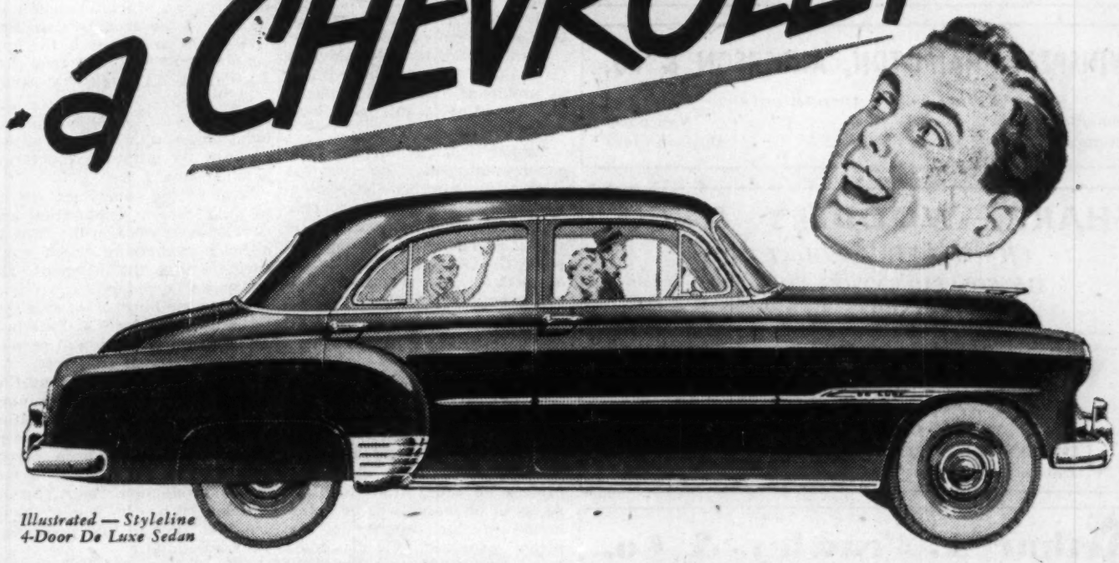

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Those High-Pressure Stock 'Fronts'

Here's How One Milked Public—and Who Got It

Who skims off the cream in a "hot" stock deal? And how do they do it?

Here's a special report prepared by The Financial Post from the files of the Ontario Securities Commission and other official sources showing how a "front" operates—what the public pays—and what goes to the company treasury in stock operations of this type.

By GORDON M. GRANT

How much can a high pressure stock-selling "front" cost the public? How much money can the backer realize from a hot "deal?" How long does a "cleanup" take?

The amazing case of Mr. X—an apparent "front" for other principals—shows how such operators have been able to raise remarkably large sums in short periods of time.

Mr. X is not in business today. And his operation could not be repeated in quite the same fashion because of tighter restrictions. However, the facts of his case illustrate why the Ontario Securities' Commission has to exercise constant vigilance for the protection of the public.

The History of Mr. X

Mr. X became a broker-dealer on a late spring day. There was no indication that before the snow would fall, he would sell almost 2.5 million shares of a highly speculative oil issue and have for himself a profit of about $85,000, in addition to a $330,000 profit for his backers.

It was nearly a month after his registration before Mr. X started selling his oil issue. So his feat—with massive assistance from other sources—was accomplished in four months.

By the middle of the following November, the Ontario Securities Commission had written "finis" to the case of Mr. X. He was a front. And his activities were adjudged to be not in the public interest.

Mr. X's application for registration with the OSC was ordinary. There was no evidence that he was a front. His experience in the brokerage business had not been great—just enough to get him a registration. His record was uninteresting and "clean." His working capital was only nominal. It looked like Mr. X would be a "small wheel," not a big one.

Didn't Have Office

For his first six weeks as a broker-dealer, he didn't even have an office. It was during this period that he carried on his first and biggest selling campaign. It was equal to anything seen by the Securities Commission up to that time.

Mr. X's "deal" was an oil issue capitalized at five million shares. Mr. X didn't do the financing of the company directly himself, but held what is known as a sub-option from the underwriters. The underwriters had an agreement covering the financing. X had an agreement with them to sell a certain amount of the stock.

The underwriting group took 250,000 shares at 10 cents a share, and options to buy 1,250,000 shares at 15 cents a share, two blocks of 500,000 shares each at 17½ and 20 cents a share, and an option on a final 499,995 shares at 25 cents a share.

Beyond anything provided directly by the financing agreement there was an extra treasure—the vendor stock. Vendor stock is usually issued by the company in return for leases or properties instead of cash. The OSC requires that most of it be held in "escrow," that is, not put on the market until OSC gives permission. This is to guard against great quantities being dumped and interfering with sale of treasury shares whose proceeds go to the company.

In this case, 1,600,000 shares were issued for leases and properties which were set up at the nominal value of $80,000. To start with, these vendor or property shares were all tied up except 160,000; but release of shares from "escrow" permitted their subsequent sale.

The Selling Campaign

During the period of three weeks from the start of selling on an issue to which Mr. X's original contribution was only $1,500, a printing firm took charge of the terrific volume of mailing and replies received. A solicitor and an advertising concern looked after other affairs. Apparently Mr. X had to do little more than sit back and let the dollars roll in.

The selling campaign was flashy—barrels of flamboyant literature, and scores of long distance calls. Most of X's selling was done across the border where citizens are seldom familiar with Canadian offerings and the firms doing the offering.

An interesting sales "gimmick" was trotted out to encourage the public to put up its cash. "Send no money unless oil is found in the first well" was the theme. The first well was drilled in an area where a good drill site could be cheaply secured and where getting some oil was almost certain. No effort, of course, was made to acquaint the would-be investors with the fact that difficulty might be experienced in operating the well at any worthwhile profit.

What Company Treasury Got

After the second "attack" on the stock selling front, Mr. X had sold over 2,479,000 shares of his oil promotion for the sum of $750,822.65. No stock exchanges or commissions were involved. Only $179,500 of this take found its way to the company treasury.

On the one deal a "gross" of over $210,000 came X's way. The overhead for him for the four-month period was about $125,000, including $4,000 for telephoning and $10,000 for salesmens' commissions. Apparently he cleaned up $85,000. This was quite an achievement for a man to whom $1,000 was previously big money.

An overhead of $30,000 a month could not have been assumed without influential backing. How did X's backers do? They netted close to $330,000. They received from X $540,000 for shares which cost them only $197,000. Expenses at their end of the business were low, even including the cost of acquisition of oil leases. Of their $197,000 cost for shares, $179,500 went into the treasury of the company in payment for 1,480,000 shares.

The Vendor Stock

But investigation showed that a million shares of vendor stock cost only 1.8 cents a share. The sale of such shares permitted a huge profit, but did nothing to enrich the company treasury.

The Ontario Securities Commission decided there was ample evidence that Mr. X was a front for others. The fact that the real killing was apparently made by the underwriting group behind X, was taken as proving this position.

Mr. X and the underwriters grossed $553,322.65 profit while the treasury of the company received $179,500. In other words, the company would have to have been phenomenally successful to overcome the drawback of an "overloaded" share price.

The killing would probably have been much greater if OSC investigators hadn't got on to what was happening.

Oil Sand Project Terms Laid Down By Alberta

From Our Own Correspondent

EDMONTON — The Alberta Government has announced the terms on which private enterprise may develop the McMurray oil sands, the world's largest oil reserve.

Speaking at a banquet for more than 100 delegates to a five-day symposium on the northeastern Alberta oil sands, Mines & Minerals Minister Tanner outlined the government's proposed policy.

Work would be undertaken on terms of 21-year-renewable leases at an annual rental of $1 an acre, plus royalties of 10% on all oil extracted.

Tanner said it is important the government policy be clear-cut so that free enterprise may know the terms under which it may tackle this new enterprise. He said it is important to keep the policy flexible to meet the variety of extraction programs that might be attempted and to meet changing conditions and circumstances.

Lease terms demand that applicants commence construction of plants of agreed sizes within two years and complete construction and begin operations within five years of the issuances of leases. The applicants must "diligently" process oil sands from then on. Areas to be leased will be determined by the capacity of the plants proposed, the intention being to provide each applicant with sufficient oil sands to satisfy his plant capacity for at least 30 years.

Royalties for the first 21-year term of any lease will be fixed at 10%, but subject to government review in subsequent renewals. The lease does not give the right to drill for oil or dispose of the bituminous sands and products."

Monopoly safeguards are contained in provisions for bituminous sands prospecting permits, a step that precedes leasing. The permits may be obtained for a fee of $250. They give the holder the exclusive right to carry out an exploratory program on a maximum of 50,000 acres of the oil sands area, but each applicant can apply only for one permit.

He must deposit $50,000 in cash to guarantee satisfactory performance of the approved exploration program. The permits are for one year, and the holders must pay a rental of five cents an acre. Permits may be renewed for a second year at a rental of 10 cents an acre, and for a third year at 25 cents an acre, providing all other terms of the permit are met. No permit may be renewed beyond three years.

At the maximum time of three years, or any time sooner, a permit holder may drop his permit. He then has exclusive rights to acquire a lease of bituminous rights within the area covered by his permit. His $50,000 deposit will be held until his plant is established to the satisfaction of the government. Where he does not desire a lease, his deposit will be returned if work commitments and other conditions are met.

Here's Industry Reaction To Alberta's Plan

At midweek The Financial Post sounded out official reaction of several of the leading Canadian oil refining companies to the proposed scheme for commercial production of oil from the sands.

The Alberta Government has not offered sufficient encouragement for an initial venture of this kind in its proposed concession arrangements.

Most of the companies are up to their ears in exploration and development work in the Alberta oilfields—something much more concrete than the oil sands. The search and development are currently something of a race between the companies and are taxing a major proportion of personnel and financial resources.

There is a general feeling that the cost estimates for the mining, separation and hydrogenation steps, as estimated by the recent Blair report, have been placed too low and that almost certain costly production "bugs" would develop which would likely lengthen time to first production runs indefinitely.

Oil officials feel that the oil sands should be looked on as a "line of defense" and that production in pilot plant stage should be perfected by provincial and Federal research organizations, that this second valuable source of energy could be turned to at a time when cost was not such an all-important factor.

MID-CONTINENT OIL & GAS reports Watt & Watt underwrote a million shares at 20c a share. Upon issue of these shares, issued capital will be 8,199,998 shares, leaving 1,800,002 shares in the treasury.

Seek Insurance Act Change As New Bus Financing Aid

By ARTHUR F. HAILEY
Editor, Bus and Truck Transport

Canada's intercity bus operators are having trouble raising low-interest capital for new equipment. As a result, buses which should be scrapped are being kept in service, despite the fact that new ones are cheaper to operate.

There's a remedy for this, bus men believe. They claim the Canada Insurance Act should be amended by Government to permit insurance companies investing in new equipment. Under existing law insurance capital can be used only for railway vehicles.

This, and other financial headaches of the industry, were aired in Toronto this week at the annual convention of the Dominion Motor Coach Association.

According to H. J. Curtis, vice-president of Provincial Transport, Montreal, current credit restrictions have curtailed the industry's borrowing from banks. As a result bus companies can't get new money at an interest rate lower than 4%. One operator reported paying 9% on new equipment loans.

The insurance houses would like to buy into bus companies and have money available at cheap interest rates, Curtis told the convention. However, they can't do it as the law stands. When the Act was framed, he said, buses were not foreseen and the word "railway" was used in defining the limits of 90% of insurance investments. Substitution of the word "transportation" would bring the Act into line with present conditions.

The bus men will appeal to Ottawa for amendment of the Act.

Also forecast by the bus men are continuing fare hoists, though mainly on fares in excess of 50c. Below this figure, they believe, fares cannot be increased much more than at present without serious losses in passenger volume.

Even on the longer hauls, passenger traffic is not keeping pace with increased costs and some parts of the country report a steady downtrend in passenger volume since 1949.

What's likely to happen soon is that most operators will provide a less frequent service, but with larger buses. As well, on some routes which have been consistent money-losers, service may have to be suspended. Both these steps, say coach men, will cut down on their most expensive commodity — labor.

Current high labor costs were described by the group's president, Ivor W. Neil, who is also vice-president of B. C. Motor Transportation Ltd. He said his company had just agreed to a new basic wage for drivers of $1.51 per hour or eight cents a mile. This was more than 14% increase on present rates. His statement was greeted by eastern delegates with cries of "amazing."

Said one operator: "If we have to pay that here we'll be out of business." Cited also was the case of Kingston City Coach Lines which has announced it will quit business because it cannot meet labor demands.

Another situation described by Neil:

Industry unions are not waiting for present contracts to expire before seeking wage increases. In one case, he said, a two-year contract had run only seven months before new negotiations were asked for. Failure to accept such requirements meant either that men would become "difficult" or would seek other work. A recent example of being difficult: a general union meeting held during Vancouver's rush-hour.

To help offset its higher costs the industry plans an appeal to Ottawa for some relaxation in taxes. Quoted by Secretary-Manager R. J. Musgrove were these sales and excise taxes on three types of bus tires:

	Type "A"	Type "B"	Type "C"
1940 ..	$5.81 ..	.40 ..	$1.02
1951 ..	$33.28 ..	$4.26 ..	$10.68

Commented Provincial's Curtis: "Bus companies are the victims of luxury taxes aimed at automobiles. It's time the industry was regarded by Government as a separate, essential group."

New Company To Expand Propane Field

With an eye to the potentialities of the fast-expanding propane market, a group of Canadian and U. S. businessmen have former a private company — Superior Propane Ltd. — to take over the propane business of Imperial Oil Ltd.

Marshall Rawle, New York business executive, represents the U. S. interests and is the first president. Ian Crookston, Toronto investment dealer, is one of the Canadian directors.

"We plan expanding business in the Ontario areas presently served by Imperial to the point where we will be handling the requirements of 50,000 customers or more, rather than 10,000 as at present," Mr. Crookston tells The Financial Post.

Principal market will be household, commercial and small industrial firms but directors aren't overlooking the possibilities of propane as a fuel for aircraft, trucks and buses, tractors, etc. Superior plans to remain an essentially retailing body, buying its propane requirements from Imperial Oil's Sarnia plant.

The new company has purchased from Imperial all the assets connected with the propane retailing business, including trucks, metal cylinders and bottling plants at Stratford, Carleton Place, Belleville and Maple. Most of Imperial's employees associated with the propane business are being employed by Superior. Existing customer and dealer contracts are also being taken over.

BOOKS FOR BUSINESSMEN

DEFENSE WITHOUT INFLATION, By Albert G. Hart, published by Twentieth Century Fund, 186 pages; price $2.

Professor Hart has outlined in layman's language his program to fight inflation during the mobilization period in the U. S. The differences between the present period and World War II and how the degree of controls must differ are brought out.

Direct controls, budgetary policy, taxation, banking policy, and debt management come under the book's view. Nothing novel is presented except, perhaps, the proposal for the government undertaking to promise to pay off their bonds at maturity in dollars of constant purchasing power. To prevent too much of a withdrawal from other savings forms to bonds should such a program be undertaken, there would have to be quantitative limitations on U. S. Government bond purchases.

To a Canadian, the book is useful in presenting the U. S. economic picture and the control measures taken there.

* * *

CANADA YEAR BOOK, 1951, published by King's Printer, Ottawa; 1,259 pages; price $3.

Ontario Hydro's frequency standardization program and the Indians of Canada receive special-article treatment in the latest DBS annual. Newfoundland's statistics are gradually being brought in, and the preface notes that the 1951 Census should cement the country statistically.

Topical articles of a general nature are brought up to date and include the tenth province, with studies in geology, migratory birds protection, soil zones, agricultural irrigation and land conservation, and the forest economy.

There are nine maps and 39 diagrams.

The next number will appear in early 1953 and will be for the combined years 1952-53. It is to include a detailed analysis of the 1951 Census.

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YOU ASKED US

The Financial Post will provide subscribers as quickly as possible with the answers to specific questions about business, taxation, investments, and other subjects. The Post cannot undertake to make predictions, will not express opinion on matters involving individual business judgment or on conditions or investments outside Canada. All communications should be addressed to Business Enquiry Editor, The Financial Post, 481 University Ave., Toronto 2. A four-cent stamp and address label from subscriber's copy of The Financial Post must be enclosed. If more than one enquiry is being sent, subscribers are asked to submit each on a separate sheet of paper, to facilitate research work entailed.

INCOME TAX

Basic Farm Herd

I am switching from mixed-farming into breeding purebred cattle. A friend tells me I should establish a basic herd for income tax purposes. Just what does this mean and what is the income tax advantage?

A basic herd is the foundation stock from which you breed animals for sale. Accordingly the money you put into your basic herd is a capital investment. The advantage in establishing a basic herd, and having it approved as such by the income tax department, is that if someday you sell your foundation stock, or part of it, the proceeds will be regarded as capital return. If you had not established a basic herd, and not had it approved, such proceeds or part of them might be considered income and taxable.

INVESTMENTS

Midland & Pacific

Could you give me some information on the dividend policy of Midland & Pacific Grain Corp.?

C. W. Roenisch, president of Midland & Pacific Grain Corp. of Calgary, Alta., has advised The Financial Post that the letter sent shareholders when cheques were sent out redeeming the preferred stock issued as a dividend answers your question.

The letter encloses a copy of some remarks of the president at the last annual meeting and says: "These show what change there will be in the possibility of maintaining profits and the necessity of rehabilitating our cash position before a definite dividend policy could be considered."

The enclosed remarks are as follows:

"Effect on the company's cash position caused by the payment of this preferred stock issued as a dividend and the tax and expenses thereon will make a difference of $1,850,000 and will mean that we will just have to borrow that much more for the operation of our business. It therefore will mean approximately $100,000 difference to our profit and loss account.

"If this bylaw is passed it would not look feasible to continue a dividend policy except for a nominal amount to keep our stock in good standing as an investment for certain kinds of investment funds and that it would appear more desirable and better business to re-establish our cash position; to protect our patronage and try and satisfy our employees and keep up our plant account. This preferred stock dividend amounted to practically the amount that was paid for the stock at the time it was purchased when it was first listed on the Toronto Stock Exchange and became available to the public and the shareholders have had good dividend returns in the meantime.

"Another feature bearing on the company's future is the fact that we are going to have to take some drastic steps to adjust our salaries, because we have had too much of a turnover in manpower recently and we are not commanding the type of men that we should have in order to successfully pursue our business at present salaries. We estimate that this may make as much difference as $40,000 or $50,000 a year.

"Another distressing feature is the recent legislation brought down by the Provincial Government which affects the operation of our feed plants and could easily make a difference of another $40,000 or $50,000 a year to our profit and loss account.

"Then finally, as we have advised you before, we are up against co-operatives' competition, who by law are permitted to disburse their profits without tax to their patrons, who are just the same as you shareholders, and those patronage dividends have become a competitive feature in the business and we will undoubtedly continue our policy (started last year) of also paying them, and which last year made a deduction from our income before income tax of $100,000."

Yellorex Mines

In the 1950 annual report of Yellowknife Bear Mines, President J. Bradley Streit mentioned the holding in Yellowknife Mines as one which might be of importance in the future. Can you enlighten me as to why these holdings might be considered of particular interest?

The reason for thinking that Yellorex Mines might ultimately prove to be of interest is the strategic location of the company's property in the Yellowknife gold mining district.

The Yellorex property adjoins Negus Mines and covers the projected extension of the Campbell shear zone which is proving to be a major ore maker in the Yellowknife area.

Where the Campbell shear will probably pass into Yellorex ground is at too great a depth to be explored conveniently by surface drilling. However, it appears likely that at some future date the company will probably be able to make arrangements with Negus Mines for exploration of its property from the Negus workings.

Antimony-Gold

Would you please give me some information on Antimony-Gold, operating in Nova Scotia? Is it true that the company has plans for going into production? What would be available for a mill to treat?

At a recent meeting of directors of the Antimony-Gold Mining & Smelting Corporation, a decision was reached to install a 100 to 150-ton concentrator at the company's Nova Scotia property. Details of financing are expected to be announced shortly.

Initially, it is expected to treat material from the surface dumps. Dr. J. F. Wright, the mining geologist, considering those portions of the dumps which are easily accessible, has estimated the tonnage at 34,090 tons containing 977,584 pounds of antimony and 2,046 oz. of gold. In addition to providing revenue for development, the mill would be used to test the large tonnage of broken ore reported in old stopes. This will entail the unwatering and rehabilitating of the main shaft, including the unwatering of the workings, and possible underground development of the Flower vein.

The diamond-drilling program has now been completed. This consisted of 12 holes totaling 3,500 ft. including a series of short holes put down from north to south to cross-section the northern part of the property. In this drilling it was found that the rock cored very badly with large percentages of the drill core being lost. Antimony was noted in the sludge from several of the drill holes.

Strategic Needs Should Be Factor In Oil Movement

Reserves of crude oil "several times the present size" in the next few years are predicted for Western Canada by John R. White, executive vice-president of Imperial Oil Ltd. Western Canada promises to rank with some of the world's largest oil-producing areas on the basis of results to date, Mr. White told the National Petroleum Assoc. meeting recently at Atlantic City.

At present meeting the crude oil needs of the prairies and about half those of Ontario, the Canadian fields would be able to supply British Columbia within a few years, with still further reserves a real possibility. Canadian transportation problems and the strategic needs of the North American continent should be considered in regard to future movement of Canadian crude. Unless this is done, Mr. White said, "we might reach a situation in which Canadians were moving oil eastward while south of the line Americans were diligently moving oil in a more or less opposite direction." Present customs duties between Canada and the U. S. were not adapted to the strategic needs of North America, he said.

American Can Co. Opens New Plant

American Can Co.'s seventh Canadian canning plant has been opened at Chatham, Ont. It will serve fruit and vegetable canneries throughout the Western part of the province and other areas of Canada and will have a capacity of 300 million containers a year. At peak operation up to 120 people will be employed.

Production machinery includes high-speed can manufacturing lines capable of turning out metal containers at the rate of 400 a minute. The plant contains 185,000 sq. ft. of floor space and includes a separate power plant. Aside from production area, the main one-story brick and steel building has warehouse space for 40-50 carloads of tin plate and a sizeable quantity of finished fruit and vegetable cans. An enclosed railroad siding accommodates 14 freight cars and the truck loading platform handles six large trucks simultaneously.

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ENGLAND

Western Europe Output Now Above Prewar Level

Industrialized Countries Advance, World Bank Reports—Raw Materials Demand Helps Underdeveloped Countries, and Exchange Position

World economic conditions changed more abruptly in the year ended June 30 than in any other year since 1946, states the sixth report of the International Bank for Reconstruction and Development. New factors have given underdeveloped countries opportunities for growth and widened the loaning field of the bank. While some of the major economic trends affecting the bank's investment policy started before the Korean War, some of these became more pronounced after June, 1950. Here is a digest of the bank's comments on recent world developments.

Production in industrialized West European countries is now stated to be well above prewar levels and their needs of raw materials provide a strong demand for products of underdeveloped countries. Shortages of certain goods and equipment such as power generating and construction machinery are a problem to countries wanting to push ahead, however.

Efforts of industrial countries to mobilize their military defenses have stimulated heavy buying of raw materials and there was a further reduction in the dollar shortage late in 1950 and early in 1951.

More Foreign Exchange

Demand for raw materials has increased foreign exchange earnings of many of the bank's member countries. These increased earnings, combined with disappearance of dollar deficits in many countries, have generally strengthened the underdeveloped countries' ability to service foreign debts. But at the same time increased prices of raw materials have worsened the terms of trade of many industrialized countries and thereby increased the strain on their resources.

In many countries booming raw materials market has set in motion strong inflationary forces which must be controlled by vigorous measures if the gains in income are to be used to increase capital savings to stabilize national accounts and currencies and promote development.

Tightening in supplies of capital goods, already evident, is expected to increase in the year ahead. Restrictions on the capital goods supply, however, will create difficult problems for the banks' member countries, requiring new efforts and new approaches to permit to member countries the maximum economic development within limitations of funds, local resources and equipment available from abroad.

Accordingly the bank has increasingly interested itself in helping member countries to assess their total economic resources and to set up priorities to be followed in their development programs.

New techniques include specialized missions sent out to study specific aspects of a country's development programs and study groups or seminars in which specialists from member countries exchange views with the staff of the bank on specific development programs. The bank has also sent bank staff to member countries for extended periods to help analyze development programs and carry out projects.

Training Institutes

It also participated in the first of a series of training institutes to teach program techniques and project control to government officials.

Report of comprehensive survey on Colombia has been published and one on Turkey presented to the Turkish Government with reports on Guatemala, Cuba and Iraq pending and missions to Ceylon and Surinam being organized.

The sharp increase in demands for industrial raw materials and foodstuffs by industrial countries of North America and Western Europe, combined with higher prices, brought improvement in the balance of payments position of most countries producing primary materials.

Some countries increased their holdings of dollars but this brought renewed inflationary pressures in many cases.

While the outlook is for continued high level of production of primary commodities and their sale at satisfactory prices for some time to come, additional earnings of economically underdeveloped countries should be carefully husbanded to reap the full benefits.

In the four years the bank has been actually lending money, it has made 48 loans totalling $1,114 millions, of which $497 millions was loaned to four European countries (France, Netherlands, Denmark and Luxemburg) for reconstruction, before the advent of Economic Recovery Program. The balance included loans for specific purposes, electric power, transportation, etc.

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1950	52,082 "

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Aid For India, Pakistan To Help Our Defense Work

OTTAWA (Staff)—By an exchange of notes released here this week, Canada has now cleared the ground for spending up to $15 million in India and $10 million in Pakistan under terms of the so-called "Colombo Plan."

The first specific projects for which the money may be earmarked include a large settlement scheme in the Thal area of Pakistan. This project includes capital works and equipment (dump trucks, motors, pumps, etc.). Other Pakistan programs suggested for initial aid include: experimental and demonstration work in the field of livestock, some electrical and transport equipment.

It has been agreed for both India and Pakistan that Canadian aid will be provided on either a grant or a loan basis, depending on the nature of the projects to be financed. Projects of an essentially commercial nature would be eligible for loans; others of a basic public utility or development character would be eligible for grants.

No specific programs have been suggested as yet for expenditure of the Indian appropriation.

The major problem at this time is to mesh each country's needs into the current North American demand for steel, strategic materials, etc., for defense programs. Thus the agreement permits substitution of new programs if, for any reason, any project proves impracticable. It is therefore not yet clear that the extra $10 million program as now submitted by Pakistan can be implemented immediately.

The basis for monies made available as grants provides for "counterpart funds" to be set aside. Each of the two countries will set aside a special account for these funds and will keep separate records of amounts placed in the account for each specific program. There will be paid into these accounts the rupee equivalent of the Canadian expenditure on goods and services supplied under each program. The two governments are to agree from time to time on economic development projects to be financed from this account.

Terms of loans under the program "will relate primarily to the commercial character of the particular project in question, to its anticipated earnings and to its anticipated effects on the foreign exchange position of Pakistan or India as the case may be."

NEW METALORE reports hole No. 4 cut a wide zone of mineralization between 1,025 and 1,108 ft. south of the Normetal shear zone. Hole No. 5 has been started to cut the same mineralized zone at greater depth.

Consolidated Balance Sheet of

CANADA PACKERS LIMITED

(Incorporated Under The Companies Act, Canada)

As at March 28, 1951

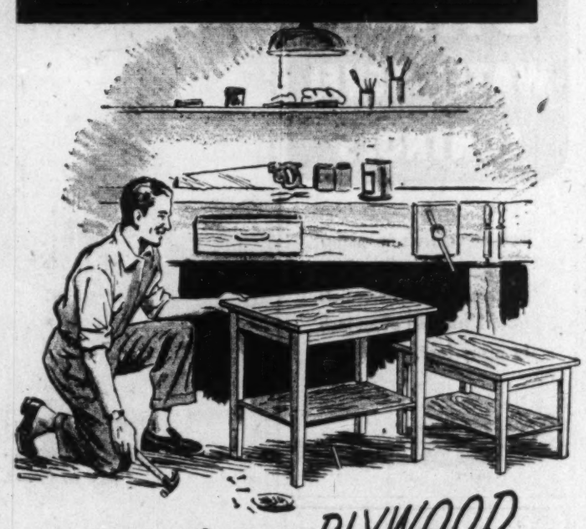
ASSETS	COLUMN 1 Including certain wholly-owned Subsidiaries consolidated in prior years	COLUMN 2 Including all wholly-owned Subsidiaries
CASH ON HAND	$ 65,332	$ 66,209
INVESTMENTS:		
Bonds and Shares—at cost less amounts written off (market value $246,626)	43,609	43,609
ACCOUNTS RECEIVABLE:		
Trade Accounts (after provision for losses)	16,488,873	18,288,405
Due from subsidiary companies	959,829	50,685
INVENTORIES:		
Products, Materials and Supplies on hand, in transit and committed for —as determined and certified by the Management and valued at the lower of cost or market, less reserve of $5,000,000	40,133,500	44,184,072
Life Insurance (cash surrender value)	753,680	753,680
Prepaid Expenses	542,145	563,047
Sundry Advances and Balances Receivable	359,715	382,232
TOTAL CURRENT ASSETS	$59,346,683	$64,331,939
Investments in Subsidiary Companies not consolidated herein—at cost:		
Wholly-owned Subsidiaries	2,250,916	Nil
Partially-owned Subsidiaries	498,000	498,000
Investment in other securities—at cost less amounts written off	107,617	107,617
Portion of taxes refundable under The Excess Profits Tax Act	103,925	220,844
FIXED ASSETS—Land, Buildings, Plant and Equipment	32,051,409	33,782,482
Goodwill	1	1
	$94,358,551	$98,940,883

LIABILITIES		
Borrowings from Bankers	$22,851,581	$23,189,712
Accounts Payable and Accrued Charges	15,167,363	15,545,086
Amounts due to Subsidiary Companies	672,620	255,692
Provision for Income, Sales, Municipal and Other Taxes	4,087,317	4,450,708
Dividends on Class A and B Shares payable April 2, 1951	900,000	900,000
Funds held under Employees' Profit Sharing Plan	468,300	494,035
TOTAL CURRENT LIABILITIES	$44,147,181	$44,835,233
Provision for Depreciation of Fixed Assets	$21,640,216	$22,585,851
Surplus on Appraisals	$ 5,663,432	$ 5,663,432
Capital:		
Authorized and issued— 400,000 Class A Shares of no par value 800,000 Class B Shares of no par value	$ 1,438,284	$ 1,438,284
Earned Surplus	21,469,438	24,418,083
	$22,907,722	$25,856,367
	$94,358,551	$98,940,883

Statement of Consolidated Earned Surplus
FOR THE YEAR ENDED MARCH 28, 1951

Balance at credit March 29, 1950		$19,143,425
Balance from Statement of Consolidated Profit and Loss		4,126,013
		$23,269,438
LESS:		
Dividends paid or payable for the year— Two Dividends of 75c per share on 400,000 Class A Shares	$ 600,000	
Two Dividends of 75c per share on 800,000 Class B Shares	1,200,000	1,800,000
Balance at credit March 28, 1951		$21,469,438

AROUND THE HOME



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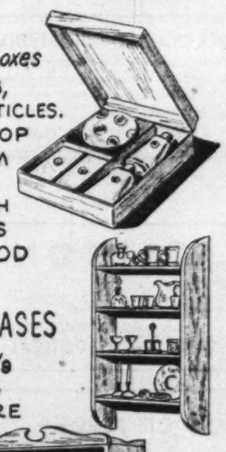

SHELVES *and* BOOK-CASES
— MADE OF INCH OR 5/8 INCH MATERIAL. ENDS OF INCH PINE. BEFORE SPACING SHELVES, CHECK BOOKS FOR HEIGHT.

WALL PLAQUE *from native material*

SMALL LARCH CONES AT BASE. SMALL TWIGS EXTEND UPWARDS, CEMENTED INTO POSITION. SEED PODS OF LILACS FOR LEAVES. FLOWERS MADE WITH GRAINS OF WHEAT OR RICE. USE LACQUER, SHELLAC OR VARNISH FOR FINISH.

Tom Gard's Note Book

It is good to see how our recreational facilities are being steadily improved, and how so many recreational directors are being trained to take their places in our communities.

I have made it a practice to dabble in several hobbies, any one of which can be carried over to my retirement years. You will see illustrated one of my articles that can be easily made. The chief reason I like this particular pastime is the number of excursions that must be planned to the country and to the woods in search of native material to decorate the plaques. Weed and flower seeds, grain, cone scales, lilac husks and nut burs are only a few of the items collected.

Interesting and decorative arrangements can be mounted on wallboard, Amer-wood, sand blasted or etched plywood, similar to the one shown.

Gift Boxes

Have you ever wished for suitable gift boxes that are solid enough to withstand the onslaught of express carriers? Try using the versatile butter box. By cutting a section out of the middle, the box can be made any depth. By adding a plywood top and bottom, even the centre part can be used in a similar fashion.

Open Shelves and Tables

Always salvage waste plywood or packing box lumber for use in making shelves and tables. Knick-knack shelves can be easily made from the thin pieces in which prefabricated windows and doors are shipped. Book shelves will require heavier boards. Attractive tables can often be built from scrap plywood that might otherwise be thrown out. It will take some scurrying around to find the right source for material of this nature, but once located and safely stored in your basement, it will be worth the effort.

NEW BOOKLET You'll find more information on these and many other interesting ideas in the booklet "Around the Home *Again*", just published. Write for your copy to Tom Gard, c/o MOLSON'S (ONTARIO) LIMITED, P.O. Box 490, Adelaide St. Station, Toronto.

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President of World Bank Reports Development Plan

For the first time in world history, development problems are being attacked on an organized international basis, President Eugene R. Black told the International Bank for Reconstruction and Development annual meeting in Washington.

Real progress has been made in helping member countries to realize more effectively their full economic potential and the bank has also increased its own resources by broadening its base in the private capital market which provides the bulk of its loan funds. Mr. Black stated some principles which he believed should be guideposts in the whole attack on problems of world development. Here is a digest of the principles he outlined.

1. Economic development is an important objective for the entire community of nations. It is important to less developed countries in terms of production, of standards of living and of continuing national growth. It is not less important to countries already in a high stage of development. Their own livelihood and future depend on the progressive expansion of world production and commerce.

The only way to support defense preparations and at the same time protect living standards is through greater production. Not long ago, the world emerged from a great war which made it necessary, in many areas, to suspend normal processes of economic growth. The nations have had to engage in tremendous effort and to spend enormous sums of money to repair the loss of those years. Surely we would now court disaster if economic development were again to be treated as a secondary problem and more years were to be lost.

The very increase in production now required must be based on balanced growth. Rising industrial production creates demands for additional supplies of raw materials; while developed countries themselves can do much to increase their output of these materials, and especially of food, new production elsewhere is also imperative. The underdeveloped countries can hardly be expected to continue to supply basic commodities, without some reasonable return in equipment and machinery that will enable them to raise their own standard of living. It is therefore less than ever possible to divide production problems neatly between nations that are highly industrialized and those that are not; the fact is that sound investments in raw materials production and in industrial growth, in either kind of country, are potential contributions to the solution of a common problem.

A Long-Term Process

2. Economic development cannot be based on expediency—political or any other kind.

Development is a long-term process. It cannot be carried out sporadically; it must be approached as a matter of broad and continuing public interest—not a means of promoting the interests of a particular area of the country,—of winning votes in a critical electorial district,—of satisfying the ego of political sponsors.

3. Too much emphasis is often placed on capital, particularly foreign capital, as the prime ingredient of development.

We are familiar with the complaint that lack of capital impedes progress in underdeveloped countries, and this is undoubtedly true. Yet there are many other factors involved in development.

The social institutions of the country, the distribution of wealth and opportunity among the people, the effectiveness of educational effort, the energy and competence of government administration, and the character of the policies governing the use of the country's resources—these are all factors which bear quite as directly as foreign capital on the rate of development.

If a country cannot induce its citizens to put their own capital into productive investments at home, it cannot reasonably expect to attract capital from abroad.

Technical Assistance

4. We must constantly work to improve the effectiveness of technical assistance.

Shortage of trained personnel at every level is one of the greatest and most intractable obstacles to development. Recent programs of technical assistance, undertaken both bilaterally and internationally, are a constructive effort to help the underdeveloped countries meet this difficulty.

5. Development is primarily the responsibility of the developing country itself.

There is not, and cannot be, any substitute for internal effort. Foreign capital cannot be broadly effective in the absence of local capital. Foreign advice will be useless unless there are roots for it to nurture.

At best, outside aid can provide only a margin over and above what a people are doing for themselves. It can be the margin between failure and success, but only when there is substantial local effort. And there can be such an effort only when a nation has a will to develop—and when there is a drive within the country itself to improve the living standards of its people, and a government which reflects that drive.

Give Men a Chance

More clearly today than ever before, we know what happens when men live and are treated as masses, as statistics, as servants of privileged classes or as creatures of the state.

In that perspective, economic development can be one of the most significant and constructive activities of our time. Through development, we can help give men a chance to satisfy their aspirations not as a mob but as individuals. For one of the striking characteristics of a developed society is the great variety of choice it can offer to individuals; a choice not merely of one 20th century convenience over another, but a choice of work, of careers, of living places, of ideas and leadership.

Variety of choice is one of the things we are talking about when we talk about freedom. In far too much of the world today, this element of freedom does not exist.

I think it is obvious that a world of free men would be far more stable and peaceful than the one around us today. I think it obvious that economic development is an indispensable tool for providing the richness of alternatives that make up a world of free men. If I am right, that our objective is to protect and enlarge the freedom of the individual, it is an object that is surely worth all the energy we can devote to its achievement.

Cheques Cashed Again Increase

Rise 11.5% in July Over 1950 After Decline in June

After dropping back in June for the first time in many months, cheques cashed at the chartered banks in Canada in July resumed their upward trend, compared with the corresponding month of the previous year. The Canadian total of over $9 billions was almost $1 billion more than in July, 1950, a gain of 11.5%.

Each of the five economic areas reported increases as follows: Atlantic Provinces, 10.8%; Quebec, 17.1%; Ontario, 8.4%; Prairies, 10.1% and British Columbia, 12%. Factors responsible for the gain were much the same as in prior months showing gains; high industrial production, high employment, etc. Another factor noted by some bankers was that this year June 30, came on a Saturday so that many cheques drawn in June were not cashed until July, especially with the long holiday weekend from June 29 to July 3.

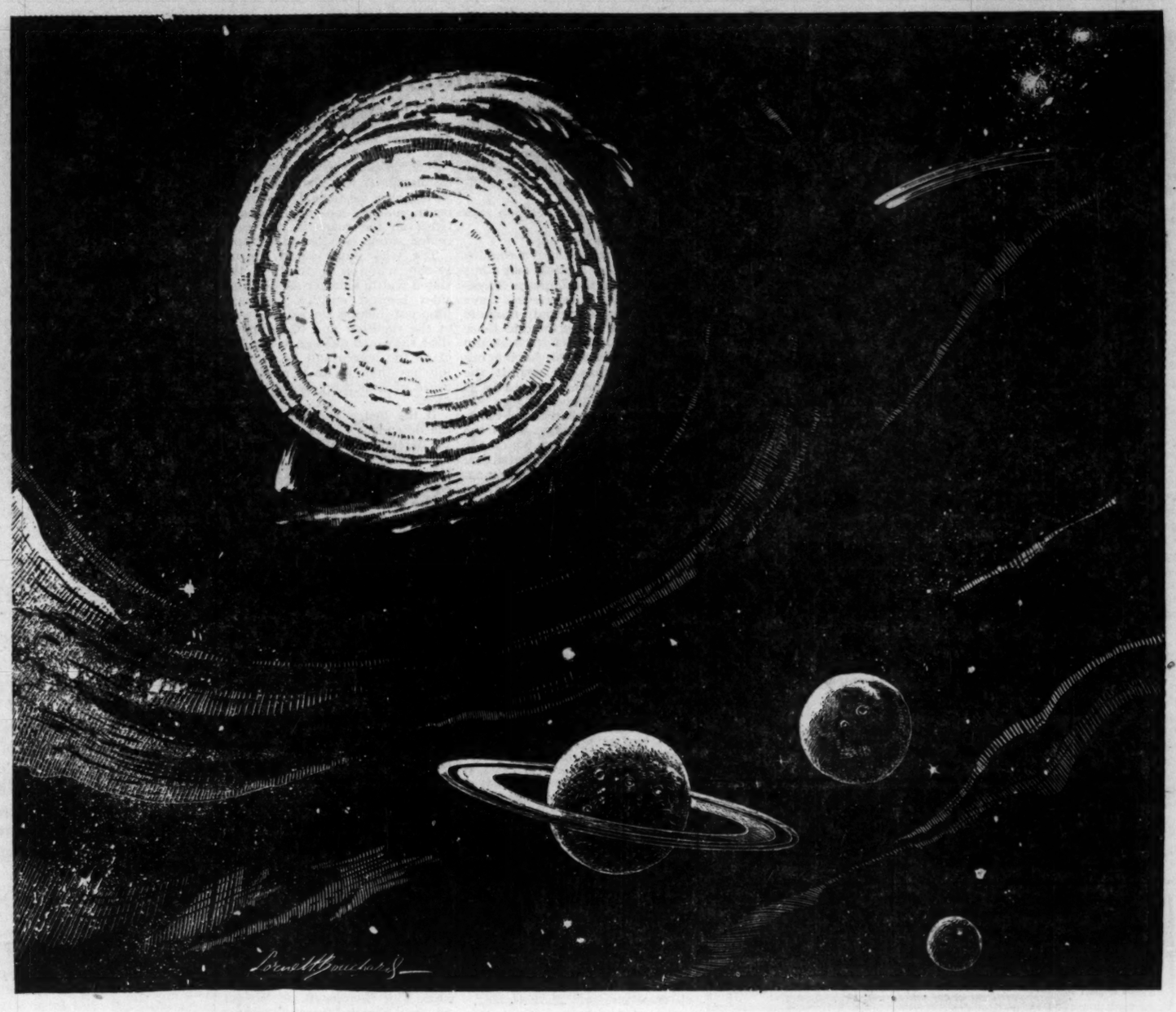
For the first seven months of 1951, total bank debits at $62.8 billions were 15.1% above the same period of 1950, gains in the different areas being Atlantic, 12.6%; Quebec, 17.7%; Ontario, 13.2%; Prairies, 12.8%; British Columbia, 21.2%.

Largest regional gain for the seven months was 21% in British Columbia and the total for the seven months was the largest for the period on record. Here are the July figures with comparisons:

Cheques Cashed Against Individual Accounts at the Clearance Centres in Canada

Province and Clearinghouse Centres	July 1951	June 1951	July 1950
	—Millions of $—		
Atlantic Provinces—			
Halifax	134.5	107.0	97.4
Moncton	35.0	38.5	36.2
Saint John	46.3	48.1	44.3
St. Johns	44.8	45.4	57.3
Total	260.6	239.0	235.2
Quebec—			
Montreal	2,302.3	2,369.4	1,962.3
Quebec	270.5	244.8	237.3
Sherbrooke	34.4	33.3	26.6
Total	2,607.2	2,647.5	2,226.2
Ontario—			
Brantford	40.3	41.3	37.3
Chatham	33.9	34.3	26.9
Cornwall	14.9	14.6	13.6
Fort William	22.3	22.5	21.7
Hamilton	258.5	255.1	204.1
Kingston	22.8	24.9	24.0
Kitchener	52.8	57.2	45.0
London	144.1	143.3	132.3
Ottawa	344.0	321.3	350.6
Peterborough	26.3	31.5	27.4
St. Catharines	41.8	41.6	32.0
Sarnia	36.5	40.9	33.6
Sudbury	29.7	29.6	25.3
Toronto	2,517.5	2,767.2	2,343.5
Windsor	162.0	162.3	143.6
Total	3,750.5	3,987.4	3,461.0
Prairies—			
Brandon	14.5	16.0	13.6
Calgary	251.1	274.4	213.8
Edmonton	211.2	215.2	208.3
Lethbridge	25.5	26.8	22.5
Medicine Hat	9.8	10.4	8.4
Moose Jaw	23.5	23.2	19.8
Prince Albert	14.0	14.1	12.4
Regina	147.6	162.9	138.2
Saskatoon	47.3	52.9	43.2
Winnipeg	844.9	948.3	743.6
Total	1,589.5	1,744.3	1,443.8
British Columbia—			
New Westminster	39.8	40.9	33.8
Vancouver	678.4	724.0	548.9
Victoria	107.9	117.2	151.2
Total	824.1	882.1	735.7
Grand Tot. Can.	**9,032.0**	**9,500.2**	**8,102.0**

NEW GOLDVUE MINES has received payment covering the Aug. 30 underwriting installment, comprising 100,000 shares at 30c a share, under an agreement with Torny Financial Corp. Issued capital is 2,891,171 shares, leaving 108,829 shares in the treasury.



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Staff Changes

Chartered banks announce the following staff changes.

Royal:

O. J. JOHNSON, Brantford, Ont., to be manager, Churchill, Man.

A. L. KING, accountant, Pape & Danforth, Toronto, to be manager, Eglinton & Bathurst, Toronto.

J. F. BASKWELL, Queen Mary & Decarie, Montreal, to be accountant, Point St. Charles, Montreal.

R. T. MORRISON, Saskatoon, Sask., to be accountant, Strasbourg, Sask.

L. R. CAIGER-WATSON, Arnprior, Ont., to be accountant, Perth, Ont.

J. R. O'NEILL, Kenora, Ont., to be accountant, Nipigon, Ont.

L. H. DENNISON, New Liskeard, Ont., to be accountant, Iroquois Falls, Ont.

H. D. GULLIVER, Cardston, Alta., to be accountant, Spirit River, Alta.

L. B. MACLEAN, 3rd Street West, Calgary, to be accountant, Hillhurst, Calgary.

J. E. STEWART, Calgary, Alta., to be accountant, Okotoks, Alta.

R. C. HARWOOD, Marpole, Vancouver, to be accountant, Commercial Drive & Graveley, Vancouver.

C. E. J. MICHAUD, Sturgeon Falls, Ont., to be accountant, Rouyn, Que.

J. R. HURLY, accountant, Iroquois Falls, Ont., to be accountant, Ridgetown, Ont.

W. HILL, Monkland & Harvard, Montreal, retired.

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Insurance Company
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"Your future is our business to-day!"

Motorist Hits Stump In Hedge Claim For Damages Dismissed

If a stump on your land is hidden by a hedge along the roadside and a passing motorist bumps into it damaging his car, can you be held liable for the damage on the grounds of nuisance and negligence?

An English court decision says "no."

Here's what happened:

A man driving along a country road 16 to 18 feet wide, met a bus travelling in the opposite direction. The car driver could have stopped, but seeing only twigs in the nearside hedge thought there would be no danger if he should brush against them. As the bus passed, he brushed against the hedge, maintaining a speed of 20 to 25 mph, and struck a large tree stump hidden by leaves and twigs.

He claimed damages from the owner of the land on which the stump was wholly located on grounds of negligence and nuisance. It did not overhang the road but the foliage of the hedge hid it.

The court dismissed the claim based on negligence because the plaintiff failed to show that the defendant had any legal duty to him.

The nuisance claim was also dismissed. It was claimed that if an ordinary cautious driver could brush innocent-looking leaves and twigs on the roadside, the concealed stump constituted a trap.

The trial judge could see no reason why on a road of the stated width, a driver should consider himself entitled to brush innocent-looking leaves and twigs at the roadside and to complain if he sustained damage, either because the leaves and twigs were tougher than he thought or because of something lying behind them.

If the hedge were situated on the defendant's land, some claim the defendant would have a claim for damages against the motorist. However, that point was not raised in the case.

The decision in a British Court might be quoted as a precedent in Canada if a similar case arose.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

CANADA PACKERS LTD. and certain wholly owned subsidiaries' consolidated net profit of $4,126,013 for the year ended March 28, 1951, was up 18.6% from the previous year's net of $3,480,212. It is the highest net profit in the company's history, and equivalent to 1.16% of sales and to 24.4c per 100 pounds of product, or just under ¼c per pound. Net profit is after deduction for inventory reserve of $1,000,000.

Dollar sales of $356,825,590 set a new high, being up 8.8% from the previous year's. The increase was due to advanced prices, not because of a new high volume, President J. S. McLean says. Volume amounted to 1,693,000,000 pounds (1,699,000,000).

A record sum of $1,800,000 was set aside as profit sharing. Of this, about $1,300,000 was distributed as cash bonus and $500,000 set aside as the beginning of a savings fund in which all employees will share equally.

Out of every sales dollar there was paid 82.26 cents (82.26 cents last year) for raw materials, chiefly livestock; 7.46 cents (7.44 cents) for wages, salaries, bonus; 3.46 cents (3.26 cents) for packages and materials; 3.76 cents (3.97 cents) for expenses of selling, etc.; 0.11 cents (0.42 cents) for employees' retirement plan, 1.19 cents (1.23 cents) taxes; 0.36 cents (0.37 cents) for depreciation, leaving a profit, before adding other income, of 1.40 cents (1.05 cents) before deduction for inventory reserve.

The company shows two sets of figures on its balance sheet, one including certain wholly-owned subsidiaries consolidated in prior years and the other including all wholly-owned subsidiaries. Fixed assets, including all wholly-owned subsidiaries, are carried at $33,782,482, as against $32,051,409 for company and certain subsidiaries. On the same basis, total assets were $98,940,883 and $94,358,551 respectively and earned surplus was $24,418,083 and $21,469,438 respectively.

Included in the current liabilities are provisions and reserves which in our opinion are, in the aggregate, some $2,750,000 in excess of the actual liabilities, the auditors report.

CONS. INCOME ACCOUNT

Years Ended:	Mar. 28 1951 $	Mar. 29 1950 $
Sales	356,825,590	327,670,647
Net earnings	10,635,956	8,894,839
Less: Deprec.	1,268,346	1,199,126
Debent. int.	.....	121,526
Deb. red. prem.	.....	51,375
Invent. res.	1,000,000	.....
Inc. & oth. taxes	4,241,597	4,042,600
Net profit	*4,126,013	3,480,212
Less: Cl. A divds.	600,000	600,000
Cl. B divds.	1,200,000	800,000
Surplus	2,326,013	2,080,212

*After deducting inventory reserve.

Earnings per Share and Dividend Record:		
Class A†	$10.32	$8.70
Paid	1.50	1.50
Class B†	4.41	3.60
Paid	1.50	1.00
Cl. A & B‡	3.44	2.90

†Before (‡after) participation.

CONDENSED CONS. BALANCE SHEET

As at:	Mar. 28 1951 $	Mar. 29 1950 $
Cash	$65,332	$71,302
Call loan	.....	534,000
Accts., etc., rec.	17,808,417	12,929,104
Investments†	43,609	214,225
C.s.v. life insur.	753,680	716,311
Inventories	40,133,500	22,186,295
Total curr. assets	58,804,538	36,651,237
Prep. exp.‡	342,145	404,656
Inv. in sub.	2,748,916	2,748,916
Ref. EPT	103,925	240,000
Inv. in other sec's	107,617	.....
Fixed assets	32,051,410	30,615,650
Total assets	94,358,551	70,660,459
Bank loan	22,851,581	7,100,590
Accts. & tax pay.	19,927,300	15,835,468
Empl. prof. shar. plan	468,300	.....
Divds. pay.	900,000	900,000
Total curr. liab.	44,147,181	23,836,058
Deprec. reserve	21,640,216	20,579,260
Appraisals surp.	5,663,432	5,663,432
Capital stock	1,438,284	1,438,284
Earned surplus	21,469,438	19,143,425

†At less than market value ($246,626 in 1951).
‡Incl. in curr. assets in co's report.

Working capital	14,657,357	12,815,179

Fry & Co. Bid Is $5.25 For Flash Fasteners Ltd.

In connection with the change of control of Flash Fasteners of Canada, Ltd., Fry & Co. is bidding $5.25 a share for any outstanding common shares on behalf of the new group. The price was shown as $5.50 a share in The Financial Post last week.

WESTERN HOMESTEAD OILS has received payment covering the option on 200,000 shares at 30c under an underwriting and option agreement with Owen Investors. Issued capital is 2,499,012 shares, leaving 2,550,988 shares in the treasury.

Company Meetings

Date	Company	Place
Sep. 21	Nat. Steel Corp.	Hamilton
Sep. 25	Can. Wirebound	Toronto
Sep. 27	Golden Arrow M.	Toronto
Sep. 28	Calmont Oils	Calgary
Sep. 28	Power Corp. of Can.	Montreal
Sep. 28	Vicour M.	Toronto
Oct. 17	Tip Top Canners	Otterville, Ont.

Bond Tenders

5 p.m., Sept. 25, 1951., Town of Pictou, N.S.—4¼%, 1-12 year debentures, $47,000. Dated Aug. 15, 1951.

Bond Redemptions

Bond Issues:	Rate	Year	Call Price
‡Nfld. Lt. & Pwr.	5%	1966	Oct. 1 $101. ‡$11,500.

Winnipeg Inst. Gives Diplomas

Announcement of 10 graduation diploma awards is made by the Insurance Institute of Winnipeg.

Number of students enrolled for the 1950-51 course as 77 was 17 lower than in 1949-50. The small proportion of those enrolled who actually registered to write examinations has caused the Institute to suggest holding lectures at noon rather than at 5 p.m. to get a better attendance.

President John Jack reports that the plan to establish a Canadian Institute on a nation-wide basis received a good reception at a meeting in Winnipeg attended by representatives of all institutes in Canada.

Scholarships awarded by the Institute were:

Harrison Memorial Scholarship, Fire Course—R. A. Wright, St. Paul Fire & Marine Insurance Co.

James A. Dowler Memorial Scholarship, Casualty Course — H. B. Vannan, Canadian Fire Insurance Co.

Insurance Institute of America awarded diplomas in the different courses as follows:

Fire
A. C. AFFLECK, North British & Mercantile Ins. Co.
W. B. GRESHAM, Canadian Fire.
H. N. SCOTT, Canadian Fire.
R. A. WRIGHT, St. Paul Fire & Marine.
F. W. YEAGER, Morgan-Nicholson Ltd.

Casualty
GORDON DRENNAN, Insurance Co. of North America.
H. B. VANNAN, Canadian Fire.

Surety
GORDON DRENNAN, Insurance Co. of North America.
H. N. SCOTT, Canadian Fire.
H. B. VANNAN, Canadian Fire.

AJAX PETROLEUMS reports that under an agreement subject to an increase in the authorized capital to provide the necessary shares, Draper Dobie & Co. and E. H. Pooler & Co. underwrote 250,000 shares at $1.75 and optioned 250,000 shares at $1.75.

TOWN OF PRESTON, Ont., new issue of $175,000 4¼ debentures due 1952 to 1971 have been sold by Bankers Bond Corp. at 100 to yield 4.25%. Debentures were issued on behalf of Preston Hydro Electric Commission.

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Advertisers know what they're buying. Advertisers know they're getting proven interest when they advertise in the Star Weekly. They know, from long experience and many keyed tests, how powerfully advertising pulls in the Star Weekly.

Choice of rates. Star Weekly advertisers can use the Star Weekly to fit their budget by selecting from different sections at different rates. Whether it be one of the two Magazine sections, the Rotogravure or Comics, there is proven high readership per dollar.

The Star Weekly offers value—to both advertisers and readers. And that is the reason it carries more advertising than any other national publication in Canada!

the STAR WEEKLY
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Montreal Office: University Tower U.S. Representatives: Ward-Griffith Co. Inc.

"PAY DEDUCTIONS that COME BACK TO ME!"

"LIKE many other wage-earners, I found it difficult to put money aside regularly for insurance or other savings. Each time I tried to start, something seemed to interfere.

"Then one day our firm made available to us the Mutual Life Salary Savings Plan. It wasn't compulsory; it merely gave us the opportunity to take out any kind of life insurance we wanted and pay for it by regular deductions from our wages.
I talked things over with a Mutual Life representative, then decided to give it a trial.

"Right now, for the first time in my life, I feel I've found an easy, sensible way to get insurance protection and create a reserve fund of savings for my family and myself.

"The Plan certainly makes it easier for me to pay for my life insurance. I'm pretty grateful to my firm for helping to make this possible."

THE MUTUAL LIFE SALARY SAVINGS PLAN

is a tried and true method of building employee loyalty — raising employee morale — reducing your company's financial responsibilities — helping employees to help themselves. And it involves no financial outlay on your part! Ask your local Mutual Life representative for further information. Or, if you prefer, write our Head Office for the booklet "Personal Security Through The Salary Savings Plan", which gives complete details.

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HEAD OFFICE WATERLOO, ONTARIO
Canada's first mutual

DIVIDEND NOTICES

THE DOMINION BANK

DIVIDEND NO. 276

Notice is hereby given that a dividend of twenty-five cents per share on the paid-up capital stock of this Bank has been declared for the quarter ending 31st October, 1951, and that the same will be payable at the Head Office of the Bank and its branches on and after Thursday, the first day of November, 1951, to shareholders of record of 29th September, 1951.

EXTRA DISTRIBUTION

Notice is also given that an extra distribution of twenty cents per share on the paid-up capital stock of this Bank has been declared for the year ending 31st October, 1951, and that the same will be payable at the Head Office of the Bank and its branches on and after Thursday, the first day of November, 1951, to shareholders of record of 29th September, 1951.

By Order of the Board.
A. C. ASHFORTH,
General Manager.
Toronto, 6th September, 1951.

THE CANADIAN BANK OF COMMERCE

DIVIDEND NO. 259

NOTICE is hereby given that a DIVIDEND OF TWENTY-FIVE CENTS per share on the paid-up Capital Stock of this Bank has been declared for the quarter ending 31st October, 1951, and that the same will be payable at the Bank and its Branches on and after THURSDAY, the FIRST day of NOVEMBER next, to Shareholders of record at the close of business on 29th September, 1951. The Transfer Books will not be closed.

By Order of the Board.
JAMES STEWART,
General Manager.
Toronto, 7th September, 1951.

THE BANK OF NOVA SCOTIA

DIVIDEND NO. 328

Notice is hereby given that a Dividend of thirty-five cents per share on the paid-up Capital Stock of this Bank has been declared for the current quarter to shareholders of record of September 29th, 1951, and that the same will be payable on and after Thursday, the first day of November next, at any of the offices of the Bank in Canada.

By Order of the Board.
C. SYDNEY FROST,
General Manager.
Halifax, N.S., September 11th, 1951.

DOMINION GLASS COMPANY LIMITED

Notice is hereby given that a dividend of one and three-quarters per cent (1¾%) has been declared on the PREFERRED STOCK of the Company for the quarter ending the 30th day of September, 1951.

Notice is also hereby given that a dividend of Forty Cents (40 cents) per share has been declared on the COMMON STOCK of the Company for the quarter ending the 30th day of September, 1951.

The above Dividends will be paid on Monday, the 15th day of October, 1951, to Shareholders of record at the close of business Friday, the 28th day of September, 1951.

By Order of the Board.
F. N. DUNDAS,
Secretary.
Montreal, 29th August, 1951.

QUEBEC TELEPHONE CORPORATION

DIVIDEND NOTICE
PREFERRED SHARES

NOTICE IS HEREBY GIVEN that a quarterly dividend of 25c per share has been declared on the outstanding 5% Cumulative Sinking Fund Redeemable Preferred Shares, payable October 1st, 1951, to Shareholders of record at the close of business, September 1st, 1951.

P. E. GAGNON,
Secretary.
Rimouski, P.Q., August 31st, 1951.

QUEBEC TELEPHONE CORPORATION

DIVIDEND NOTICE
CLASS "A" SHARES

NOTICE IS HEREBY GIVEN that a semi-annual dividend of 37½c per share has been declared on the outstanding Class "A" Shares, payable October 1st, 1951, to Shareholders of record at the close of business, on September 1st, 1951.

P. E. GAGNON,
Secretary.
Rimouski, P.Q., August 31st, 1951.

Commonwealth International Corporation Limited

Dividend No. 71

Notice is hereby given that a dividend of FOUR CENTS per share has been declared on the outstanding Common Shares of the Capital Stock of the Company, payable on 15th October 1951, to Shareholders of Record at the close of business on 28th September 1951.

By Order of the Board.
W. Howard Wart, C.A.,
Secretary-Treasurer.
Montreal, 14th September 1951.

COBALT LODE SILVER MINES LIMITED

(No Personal Liability)

NOTICE OF DIVIDEND

Notice is hereby given that a dividend of three cents (03c) per share on the shares of the Company has been declared, payable on and after the 15th day of October, 1951, to shareholders of record at the close of business on the 29th day of September, 1951. The Guaranty Trust Company of Canada, 70 Richmond Street West, Toronto, Ontario, is the Registrar of the Company's capital stock.

DATED at Toronto, Ontario, this 10th day of September A.D., 1951.

G. E. BUCHANAN,
Secretary.

DIVIDEND NOTICE

T. H. ESTABROOKS CO. LIMITED

"Red Rose Tea and Red Rose Coffee"

Notice is hereby given that the quarterly dividend (26 cents per share) on the 4.16% Cumulative Redeemable Sinking Fund Preferred Shares (par value $25.00 per share) of the Company has been declared payable October 15, 1951, to shareholders of record at the close of business September 14, 1951.

By Order of the Board.
J. B. BRYDON, C.A.,
Secretary-Treasurer.
Saint John, N.B.,
5th September, 1951.

Big Grain Crop Assured But Many Problems Remain

From Our Own Correspondent

WINNIPEG — So far as concerns total tonnage of grain, most of the Western crop is now past the danger of frost, and a big crop is taken as assured. The problem of safe harvesting, threshing and housing is still ahead, and the extent also to which grades may be good.

Continuation of the wet weather of the past two weeks, which has already caused much delay and some degree of damage, can be very hurtful. Ardent hopes of the whole country are for several weeks of dry, bright weather, enabling standing crops still to mature, drying the soil sufficiently to enable machinery to work, and grain to be threshed dry instead of with a dangerous moisture content. Granted that, and continued immunity from frost for another 10 days or so, the crop can surpass all previous records both in yield and in value. But total yield, to the extent of tens of millions of bushels, and total value to the extent of tens of millions of dollars, are still at stake and dependent upon the weather of the next few weeks.

Although comparatively little threshing has been done, a considerable quantity has been cut.

Broadly speaking, Manitoba should harvest as much grain as in the large crop of last year. Saskatchewan will do a great deal better than last year and somewhat better than ever before. Alberta hopes for considerable more grain than ever before produced and 50% more than last year.

There is no hope at all that the movement of grain by rail from country elevators can keep pace with the rate at which farmers will want to deliver it.

The best hope, and the greatest need is that transport can keep pace with the opportunities to sell grain. Present market demand is strong, and if the new crop contains large percentage of high grade it will meet an urgent demand from waiting buyers. Continued wet weather will create danger of an undue proportion of the crop containing excessive moisture, and being graded tough or damp. Handling of such grain is slower and more difficult than in the case of dry grain.

Markets remain strong in spite of the large quantity of grain in sight. Sales under the International Wheat Agreement continue at the maximum price of $1.90 per bushel. The Wheat Board quotes 50 cents per bushel more for wheat exported outside of agreement, while the Chicago wheat market holds above $2.40 per bushel. Buyers of oats and barley at Winnipeg are anxious to place orders for either immediate or future delivery, knowing that the Wheat Board for some time will give preference to the movement of high-grade wheat over all other grains.

Disposing of the big crop may develop into a problem at a later date. In the meantime current demand is outrunning immediate supplies or those early to be expected.

DIVIDEND NOTICES

SUPERTEST PETROLEUM CORPORATION, LIMITED

NOTICE OF DIVIDEND

NOTICE is hereby given that a quarterly dividend of $1.25 per share upon the outstanding 5% cumulative redeemable sinking fund preference shares of the par value of $100 each in the capital stock of the Company has been declared payable on October 15, 1951 to shareholders of record at the close of business September 27, 1951, such dividend being at the rate of 5% per annum for the period from July 15, 1951 to October 15, 1951.

By Order of the Board.
C. C. COPEMAN,
Secretary-Treasurer.
London, Ontario, September 17, 1951.

SAN ANTONIO GOLD MINES LIMITED

(No Personal Liability)

DIVIDEND NO. 36

NOTICE is hereby given that a dividend of 7c a share has been declared on the outstanding capital stock of the Company, payable in Canadian funds, on the 5th day of November, 1951, to shareholders of record at the close of business on the 5th day of October, 1951.

By Order of the Board.
L. D. DAVIES,
Assistant Secretary.

THE SHERWIN-WILLIAMS COMPANY of Canada, Limited

Notice is hereby given that the one hundred and sixty-first quarterly dividend of one and three-quarters per cent (1¾%), being at the rate of seven per cent (7%) per annum, for the quarter ending August 31, 1951, on the Preferred Stock of the Company, has been declared payable October 1, 1951, to Shareholders of record September 21, 1951.

By Order of the Board.
P. W. HOLLINGWORTH,
Secretary-Treasurer.
Montreal, Que.
September 14, 1951.

LOWER ST. LAWRENCE POWER COMPANY

DIVIDEND NOTICE
PREFERRED SHARES

NOTICE IS HEREBY GIVEN that a quarterly dividend of 25c per share has been declared on the outstanding 5% Cumulative Sinking Fund Redeemable Preferred Shares, payable October 1st, 1951, to Shareholders of record at the close of business, on September 15th, 1951.

P. E. GAGNON,
Secretary.
Rimouski, P.Q., September 8th, 1951.

CANADA VARNISH COMPANY, LIMITED

DIVIDEND NOTICE
PREFERENCE SHARES

A dividend of Thirty-one and one-quarter cents (31¼c) per share on the 5% Cumulative Redeemable Preference Shares of the Company has been declared for the three months ending October 1st, 1951, payable on October 1st, 1951, to shareholders of record September 21st, 1951.

By Order of the Board.
G. I. TAYLOR,
Secretary.
Toronto, Ontario.
September 11th, 1951.

STANLEY BROCK LIMITED

DIVIDEND NOTICE

NOTICE is hereby given that a dividend of 15 cents per share on the outstanding Class A Shares of the Company and 10 cents per share on the outstanding Class B Shares of the Company has been declared payable November 1, 1951, to shareholders of record October 10th, 1951.

By Order of the Board.
C. W. H. ROUTLEY, C.A.,
Treasurer.
Winnipeg, Manitoba,
September 10, 1951.

SISCOE GOLD MINES LIMITED

NOTICE OF DIVIDEND NO. 54

Notice is hereby given that an Interim Dividend of Three Cents (3c) per share on the issued Capital Stock of Siscoe Gold Mines Limited has been declared payable on October 17th, 1951, to shareholders of record at the close of business on the 3rd day of October, 1951.

By Order of the Board.
CLINTON M. MASTERMAN,
Secretary-Treasurer.
Montreal, September 13th, 1951.

KIRKLAND LAKE GOLD MINING COMPANY LIMITED

(No Personal Liability)

DIVIDEND NO. 34

A semi-annual dividend of one cent per share on the outstanding capital stock of the Company has been declared payable November 1st, 1951, to shareholders of record September 29th, 1951.

Taxes imposed on shareholders' dividends will be deducted where applicable.

By Order of the Board.
H. F. CASSIDY,
Secretary-Treasurer.
Toronto, September 14th, 1951.

McCOLL-FRONTENAC OIL COMPANY LIMITED

"PREFERRED STOCK DIVIDEND NO. 21"

NOTICE is hereby given that a Dividend of $1.00 per share being at the rate of 4 per cent per annum has been declared on the 4% Cumulative Preferred Stock of McColl-Frontenac Oil Company Limited for the quarter ending September 29th, 1951, payable October 20th, 1951, to shareholders of record at the close of business on September 29th, 1951.

By Order of the Board.
FRED HUNT, F.C.I.S.,
Secretary.

Vancouver Invest. Firms Join Forces

Two Vancouver financial firms —S. H. Lennard & Co., Ltd., and James, Copithorne & Birch Ltd., are being merged under the name of James, Copithorne & Birch Ltd., according to a joint announcement by C. J. Copithorne and Sir Stephen Lennard.

The S. H. Lennard business will be moved to the James, Copithorne office, Royal Bank Bldg., Vancouver.

Principals in the merger, Mr. Copithorne, Sir Stephen Lennard, E. T. James and D. C. Birch, who have been prominent in financial circles for many years. James S. Gray, for a considerable time with S. H. Lennard, will also become associated with the new set-up.

James, Copithorne & Birch Ltd., was established as such in 1945. Prior to this, Mr. James and Mr. Copithorne had been associated with the investment business since 1931, and Mr. Birch since 1926.

Sir Stephen Lennard came to Vancouver from Great Britain in 1925. His firm has held a seat on the Vancouver Stock Exchange since 1927 and Sir Stephen served on the Exchange's managing committee for more than 10 years and was president from 1946 to 1948.

Bonds Offered Of World Bank; Go To Discount

A new issue of $100 million 3¼% bonds of the International Bank for Reconstruction & Development was offered at par in the United States last week by a group of 32 sponsoring banks and security dealers managed jointly by the First National Bank of Chicago and Halsey, Stuart & Co. The issue was dated Oct. 1, 1951, due October 1, 1981. Early this week the bonds were quoted at $98½ bid to $98⅞ asked—down over a point from the issue price.

Net proceeds will be used in the general operations of the bank.

Funded debt of the Bank, including the present offering, totals the equivalent of $436,222,222 and the contigent obligations of the bank arising from sales of securities guaranteed by it, total $24,950,000.

The Bank has entered into loan commitments for a total equivalent to $1,113,525,000 to finance programs or projects in 22 member countries. Disbursements on these loans amounted, as of June 30, 1951, to the equivalent of $691,727,129, 96.4% of which was repayable in U.S. dollars.

From June 25, 1946, when the Bank commenced operations, to June 30, 1951, its net income from operations amounted to the equivalent of $42,155,217. The net income has been allocated to a General Reserve against Losses on Loans and Guarantees. At the same date the equivalent of $20,125,748 had accumulated in the Special Reserve to which loan commissions are credited. The Bank has not distributed any part of its net income as dividends to its members.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

DOMINION ELECTROHOME INDUSTRIES LTD., Kitchener, Ont., net profit of $93,980 for the year ended April 30, 1951 was up 14% from the previous year's net of $81,912.

Dollar sales were up about 17%. The increase was due in part to higher prices but about 8% can be considered the true gain on sales volume, which is "a good healthy figure of expansion for domestic business," President A. B. Pollock says. All aspects of the business shared in the increase, with highlights being the increase in sales of television units and of small motors of both A.C. and D.C. design.

Improved budgeting and a reorganization of staff for more efficient operations characterized the year. The beginning of the fiscal year 1951-52 saw the organization of a new operating division which is essentially a distributing and sales division, Electrohome Products, under the direction of W. E. Curry. The other three operating divisions retain former duties but have adopted new titles which better describe their work. They are now known as the Deilcraft Division, Electronics Division and Motor & Metal Parts Division, under C. Allgeier, J. G. Tufts and A. B. Pollock respectively. This specialization will allow for greater efficiency and more breadth in production.

Sales of the first quarter of the current year were seriously affected by the government's anti-inflation measures and taxes. "We are happy to state that some light is beginning to be seen on the horizon and it is hoped that retail credit restrictions will be eased somewhat before the calendar year closes," Mr. Pollock said.

At the annual meeting on Sept. 11, Vice-President & General Manager C. A. Pollock said that television would occupy more and more of the production capacity of the Electronics Division.

INCOME ACCOUNT

Years Ended Apr. 30:	1951	1950
Net earnings	$246,327	$217,955
Less: Deprec.	64,833	75,491
Bond interest	7,667	8,667
Prov. for taxes	79,857	31,885
Net profit	$93,980	$81,912
Less: Divds.	20,000	20,000
Surplus for year	73,980	61,912
Earnings per Share and Dividend Record:		
Common	$0.94	$0.82
Paid	0.20	0.20

CONDENSED BALANCE SHEET

As at Apr. 30:	1951	1950
Cash	$2,800	$1,823
Accts. rec.	412,209	297,061
Life ins., c.s.v.	12,842	10,370
Inventories	1,184,353	1,039,765
Total curr. assets	1,612,204	1,349,019
Prep. exp., etc.	31,808	25,169
Fixed assets*	333,813	351,708
Total assets	1,979,825	1,725,896
Bk. ln. & overdraft	472,217	367,660
Accts., tax., etc., pay.	546,763	478,044
Total curr. liabs.	1,018,980	845,704
Funded debt	175,000	200,000
Capital stock	26,500	26,500
Capital surplus	144,751	144,751
Earned surplus	613,994	508,941
*After depr. of	774,727	764,291
†Incl in curr. assets in co's report.		
Working capital	593,824	503,315
Contingent Liab.	— Bank loans re employees purch. of govt. bonds: $64,831 in 1951, $54,390 in 1950.	

LONG ISLAND PETROLEUMS has received payment for 200,000 shares at 25c a share, under an agreement with Owen Investors. Issued capital is 3,100,000 shares, leaving 900,000 shares in the treasury.

Record of Financing

Sales by Municipalities, Provincial and Dominion Government. Offerings of Corporation and Foreign Securities.

MUNICIPAL

Town of Kenora, Ont.—4¼% debentures, due Oct. 1, 1952-71, $300,000. Issued Oct. 1, 1951. Sold privately to James Richardson & Sons and Imperial Bank.

Township of Balfour Roman Catholic Separate School No. 4, Ont.—5½% debentures, due Dec. 15, 1952-71, $22,700. Issued Aug. 31, 1951. Bought privately by Harris Mackeen Goss & Co.

Town of Barrie, Ont.—4¼% debentures, due Oct. 1, 1952-71, $380,000. Issued Sept. 4, 1951. Sold at $98.21 to Gairdner & Co. Ltd., Cochran, Murray & Co. Ltd. and R. A. Daly & Co.

District of Oak Bay, B.C.—3½% debentures, due June 30, 1952-71, $117,000. Issued Sept. 5, 1951. Sold at $94.72 to James Richardson & Sons.

School Commission of Mont-Roland, Que.—4% debentures, due Sept. 1, 1952-71, $70,000. Issued Sept. 6, 1951. Sold at $96.03 to Credit-Quebec Inc.

Township of Brantford, Ont.—4¼% debentures, due 1952-71, $196,594. Issued Sept. 10, 1951. Sold at $98.27 to Equitable Securities of Canada Ltd. and Can. Bank of Commerce.

Town of Dunnville, Ont.—4% debentures, due Sept. 1, 1952-71, $45,000. Issued Sept. 10, 1951. Sold at $96.65 to Anderson & Co. Ltd.

Township of York, Ont.—4½% debentures, due May 1, 1952-60, $878,735. Issued Sept. 10, 1951. Sold at $100.038 to R. A. Daly & Co. Ltd., Dawson, Hannaford Ltd.

Township of Nepean, Ont.—4½% debentures, due Sept. 1, 1952-71, $94,000. Issued Sept. 10, 1951. Sold at $99.397 to A. E. Ames & Co. Ltd., Dawson, Hannaford Ltd., Bank of Montreal and Royal Securities Corp. Ltd.

Town of Parry Sound, Ont.—4% debentures, due July 7, 1952-71, $100,000. Issued Sept. 10, 1951. Sold at $94.67 to Wood, Gundy & Co. Ltd. and Bank of Nova Scotia.

CORPORATE

Union Acceptance Corp. Ltd. — 3¼% sinking fund debentures, series A, to mature Oct. 1, 1961, $500,000. Dated Oct. 1, 1951. Due Oct. 1, 1961, $100,000,000. Issued Oct. 1, 1951. Offered at $100 plus accrued interest by the First National Bank of Chicago, Halsey, Stuart & Co. Inc., Bankers Trust Co., Morgan Stanley & Co., The National City Bank of New York, J. P. Morgan & Co. Inc., Kuhn, Loeb & Co., The Chase National Bank, The First Boston Corp., C. J. Devine & Co., Salomon Bros. & Hutzler, Manufacturers Trust Co., Chemical Bank & Trust Co., Guaranty Trust Co. of New York, First National Bank of New York, Bank of America N.T. & S.A., Blyth & Co. Inc., Dillon, Read & Co. Inc., Drexel & Co., Glore, Forgan & Co., Goldman, Sachs & Co., Harriman Ripley & Co. Inc., Kidder, Peabody & Co., Ladenburg, Thalmann & Co., Lazard Freres & Co., Lehman Brothers, Merrill Lynch, Pierce, Fenner & Beane, Shields & Co., Smith, Barney & Co., Stone & Webster Securities Corp., Union Securities Corp. and White, Weld & Co.

Brazilian Traction, Light & Power Co. Ltd.—4½ convertible collateral trust bonds, series E, to mature Sept. 1, 1971, $10,000,000. Dated Sept. 1, 1951. Offered at 98 and accrued interest by A. E. Ames & Co. Ltd., Dominion Securities Corp. Ltd., Wood, Gundy & Co. Ltd., McLeod, Young, Weir & Co. Ltd., Nesbitt, Thomson & Co. Ltd., James Richardson & Sons, Royal Securities Corp. Ltd., Mills, Spence & Co. Ltd., Bell, Gouinlock & Co. Ltd., W. C. Pitfield & Co. Ltd., Gairdner & Co. Ltd., Grenshields & Co. Inc., L. G. Beaubien & Co. Ltd., Midland Securities Ltd., Cochran, Murray & Co. Ltd., Wills, Bickle & Co. Burns Bros. & Denton Ltd., Brawley, Cathers & Co., Equitable Securities of Canada Ltd., Fraser, Dingman & Co., Tanner & Co. Ltd., Pemberton Securities Ltd., J. C. Boulet, Ltée, Eastern Securities Co. Ltd. and Houston, Willoughby & Co. Ltd.

OIL PRODUCTION

Pay Zone at Wizard Lake Is Thicker Than 600 Ft.

From Our Own Correspondent

CALGARY — A thicker pay zone than that in the Golden Spike field has been opened up at the Wizard Lake No. B-2 well of Texaco Exploration and McColl-Frontenac.

Drilling had encountered 612 feet of D3 coral reef at last report. Pay zone in the Golden Spike field runs to 600 feet thickness. Indications are that Texaco Wizard Lake No. B-2 has at least 600 feet of oil-bearing D3 reef free of water.

In a recent one-hour test 100 ft. of fluid rose in the pipe.

The Texaco-McColl team has put its third Wizard Lake oil well on steady production. They completed Texaco-Wizard Lake-CPR No. B-1 in L.S.D. 9, 21-48-27w4 was completed at 6,397 feet, a quarter mile west of the discovery well. No. B-1 opened 37 feet of D3 oil zone. Its initial potential was 600 bbls. daily, through a 20/64 in. choke, during a 16-hour test.

The team was drilling its Wizard No. B-6 below 4,948 at last report. Wizard Lake field is about five miles southwest of the Leduc field producing area.

* * *

Bypass "Needy" States?

Of significance for Alberta oil men were the words of Imperial Oil's executive vice-president, John R. White, to the National Petroleum Association of the United States, at Atlantic City. Mr. White said Western Canada's proved oil reserves might be several times their present size in a few years and this might mean Canadian crude would be "the best means of assuring economical supplies in areas now regarded as beyond its reach." U.S. supply picture would have to change, he said. Present U. S. tariff regulations on oil and oil products were "ideal material for those who would like to drive a wedge into North America." Western oil might one day pass U.S. markets that need it, to go to Montreal.

* * *

Output Jumps Again

Alberta crude oil production average 171,887 bbl. daily from 2,509 wells in the week ended Sept. 10—up considerably from the 125,331 bbl. daily the week before. The latest figure is near the all-time record of 180,423 bbl. daily, set in August.

All areas showed good-sized gains. Redwater output rose to 96,173 bbl. daily from 70,841 bbl.; Leduc-Woodbend to 46,457 bbl. (33,149).

* * *

Calvan-Merrill Interest

Calvan Consolidated, Merrill Canadian and Sapphire Petroleums have acquired an interest in a quarter section of land between the sensational Texaco oil discovery at Wizard Lake and the recent discovery by B.A. Oil, a few miles distant, it is reported.

Exact location of the quarter section was not immediately available.

* * *

Water in Clive Well

British American Oil and Cities Service Petroleum drilled their discovery well in the Clive area down into the D3 zone but found this horizon water-logged. They struck oil originally in about 12 feet of D2 pay zone.

The first D3 drill stem test was run from 6,341 to 6,351 feet. There was a faint initial blow and one hour pipe recovery of 10 feet of gas-cut mud.

A gas flow in 19 minutes of 63,000 cu. ft. daily and a 20-minute pipe recovery of 90 feet of oil gas-cut muddy salty water and 1,845 feet of salty-sulphur water resulted from the second test, from 6,347 to 6,361 feet.

OSC Options

Following details on mining and oil company financing have been released by the Ontario Securities Commission.

AUGUST PORCUPINE GOLD MINES reports Chamac Holdings received an extension of six months on all payment on options not exercised.

MOUNT KENO MINES reports previous option covering nine claims for $23,750 and 71,250 shares has been replaced by an agreement under which the company has purchased the claims outright for a total of $14,830 and 71,250 shares, of which 64,125 shares were escrowed. (This makes a total of 114,125 shares escrowed). Company has also acquired two additional claims for $850 and staked four new fractions.

DONMAQUE GOLD MINES reports Reilly & Co. agreed to purchase 15,000 shares at 10c a share and received an option on a further 485,000 shares at 10c to 15c. Authorized capital is 3 million shares; issued, 2,010,005; escrowed, 784,000.

SILVER GEORGE MINES reports its optionee will effect primary distribution through registered security dealers at an increase in price to the optionee of ½c a share. Lindsay Mercer assigned the underwriting and option agreement to Knowlson Joseph Hueston, and the payment dates were extended by three months, but to terminate in 24 months from Jan. 29, 1951.

GAY RIVER LEAD MINES reports Maritime-Barytes Ltd. agreed to purchase 300,000 shares at 10c a share, and received an option on a further 1,500,000, at 13c to 31. There are no sub-option or sub-underwriting agreements outstanding or proposed sub-underwriting agreement to be given. Maritime-Barytes, the underwriter, intends to sell the block of 500,000 shares, firmly agreed to be purchased by it, through a registered broker (as its agent) at 11c a share price, and to grant the purchasers sub-options on 800,000 shares. The sub-options will be granted according to the proportion of the 500,000 shares purchased, and will be at prices from 16c to 83c a share. Maritime-Barytes intends to sell through the registered broker 200,000 of its 800,000 vendor shares at the price of 10c a share to the purchasers from it of the 500,000 shares firmly underwritten. Authorized capital, 3,500,000 shares, not to exceed $3,300,000 in the aggregate. Issued, 800,005 shares; escrowed, 720,000.

YORK ASBESTOS MINES reports Andrew Lucas & Co. has purchased 450,000 shares under their agreement: there still remain to be taken up and paid for blocks at 15c to $1 a share. Authorized capital is 3,500,000 shares; issued, 2,000,000; escrowed, 1,100,000.

CAPEWELL PETROLEUM CORP. reports Stampede Petroleums received an option on 1,100,000 shares, at 25c to 55c. By further agreement, Stampede transferred and assigned its interest in the option to A. J. Foley Ltd., as principal, for ½c for every share taken down under the option.

OAKRIDGE MINING CORP.—Security issuer's registration has been granted the company, permitting Gibson Mackie Too to sell shares, 75% of sale proceeds to go into the company treasury. Shares may also be sold through broker-dealers appointed from time to time. Total of 179,248 shares were taken down and $25,627 paid for them under a previous agreement with Harwood Finance & Management and a direct offering to shareholders. Company's name was formerly Samar Yellowknife Gold Mines. Authorized capital, 4,000,000 shares; issued, 1,779,253; escrowed, 1,350,000.

Grain Prices

Chicago Futures

Week to September 17th, 1951

Crop year from Aug. 1, 1951 High	Low		High for week	Low for week	Close Sept. 17
		Wheat—			
2.44	2.36⅛	Sept.	2.43¼	2.40¼	2.41
2.47¼	2.40¼	Dec.	2.46⅛	2.44	2.44⅛
2.49⅛	2.42¼	Mar.	2.49⅛	2.47	2.48¼
2.49¼	2.41⅛	May	2.49¼	2.46⅛	2.47¼
2.43	2.33⅛	July	2.43	2.39¼	2.41
		Corn—			
1.80	1.70¼	Sept.	1.80	1.76¼	1.78⅛
1.75⅛	1.61	Dec.	1.75⅛	1.70	1.72¼
1.77¼	1.64⅛	Mar.	1.77¼	1.73⅛	1.76
1.79¼	1.66⅛	May	1.79¼	1.75¼	1.77⅛
1.80	1.67⅛	July	1.80	1.74¼	1.78
		Oats—			
.82⅛	.77⅛	Sept.	.82⅛	.80¼	.81⅛
.86⅛	.80¼	Dec.	.86⅛	.84¼	.85¼
.90¼	.82⅛	Mar.	.90¼	.87¼	.88⅛
.90⅛	.82⅛	May	.90⅛	.88¼	.89¼
.87	.81⅛	July	.87	.85¼	.86¼
		Rye—Old Style			
1.76⅛	1.63¼	Sept.	1.72	1.69¼	1.69¼
1.77	1.70¼	Dec.	1.74⅛	1.73	1.74⅛
		Rye—New Style			
1.76⅛	1.66⅛	Sept.	1.71¼	1.69¼	1.71¼
1.76⅛	1.68¼	Dec.	1.76	1.73¼	1.75¼
1.80	1.69¼	May	1.78⅛	1.76¼	1.78⅛
1.76⅛	1.66	July	1.76	1.73¼	1.76
		Soybeans—			
Sept.			3.00	2.84	2.84½
Nov.			2.73½	2.68½	2.71¼
Jan.			2.76½	2.71¼	2.74¼
Mar.			2.78½	2.74	2.76½
May			2.80½	2.76	2.78½
July			2.79½	2.78	2.79½

Chicago Cash

For Week Sept. 17

	High	Low	Prev. week High	Prev. week Low
Corn—				
2 Yell.	1.85¼	1.83¼	1.84¼	1.83
Oats—				
1 H. Wh.	.86¼	.85¼	.88½	.86

Winnipeg Futures

Week to September 17th, 1951

Crop year from Aug. 1, 1951 High	Low		High for week	Low for week	Close Sept. 17
		Oats—			
.88⅛	.80¼	Oct.	.88⅛	.85⅛	.85⅞
.83¼	.79⅝	Dec.	.85⅛	.83¼	.83⅞
.87⅛	.82¼	May	.87⅛	.85⅛	.85⅜
		Barley—			
1.25⅞	1.12⅛	Oct.	1.25⅛	1.22¼	1.22¼
1.18⅛	1.09⅛	Dec.	1.18⅛	1.15	1.15⅜
1.19⅛	1.11⅛	May	1.19⅛	1.16¼	1.16⅝
		Rye—			
1.81⅛	1.65⅛	Oct.	1.81⅛	1.74	1.77⅛
1.76⅛	1.64	Dec.	1.75	1.71¼	1.71¼
1.77⅛	1.66⅛	May	1.77⅛	1.73¼	1.74
		Flax—			
4.27	4.01	Oct.	4.27	4.15⅜	4.15⅜
4.09	3.80	Dec.	4.09	3.94¼	3.97
4.05¼	3.80	May	4.05¼	3.91	3.95

Winnipeg Cash

For Week Sept. 17

	High	Low	Prev. week High	Prev. week Low
Oats—				
2 C. W.	.83⅛	.85¼	.86¼	.83¼
3 C. W.	.83	.85¼	.86	.82⅛
Barley—				
1 Feed	1.25	1.21¼	1.22⅛	1.17
2 Feed	1.20	1.17	1.17⅛	1.13¼
1 Malt	1.30⅛	1.27⅛	1.28⅛	1.24
Rye—				
2 C. W.	1.81⅛	1.76⅛	1.75¼	1.71¼
Flax—				
1 C. W.	4.27	4.15⅜	4.23¼	4.17

Pincher Creek Plan Aired In Resumed Gas Hearings

From Our Own Correspondent

CALGARY—Plans for development of Pincher Creek gas field, reportedly the largest single reserve of natural gas in Alberta, with 1.27 trillion feet recoverable, were outlined this week by Dr. C. R. Hetherington, New York, appearing for Westcoast Transmission Co., as the Petroleum and Natural Gas Conservation Board entered the second week of resumed hearings at which five firms are seeking the right to export Alberta's natural gas.

Assuming no more gas discoveries at the Pincher Creek field, Dr. Hetherington, a consulting engineer, said Calgary would be looked after on peak days 30 years hence, even after the exporting the amount sought by Westcoast from Pincher Creek.

Westcoast seeks the right to develop Pincher Creek to an economic capacity to permit export of 25 billion cu. ft. a year to U.S. and British Columbia points and at the same time create low cost increased capacity for use by Canadian Western Natural Gas Co., Calgary and Edmonton suppliers.

Gas from Pincher Creek at the rate of about 5 billion cu. ft. a year would cost an estimated 19 cents per thousand cu. ft. above the cost at the well head, delivered through 135 miles of pipeline to the Calgary distribution system, the New York engineer said.

However, with recent discoveries in nearby fields, much cheaper gas may be available for Calgary.

G. H. Sterr, legal counsel for Calgary Gas Co. told the board he expected the line from Pincher Creek to Turner Valley (distribution centre), would be built by Calgary Gas Co. at its own expense.

Eastern Canada Aims

With Ontario now in the scramble for a share of Alberta's natural gas, A. R. Crozier, Ontario fuel controller and two representatives from Ontario were given permission by I. N. McKinnon, chairman of the gas board, to present their case.

Earlier during the resumed hearings, Canadian Delhi Oil Ltd., one of the five applicants for permits to export, outlined a plan which would give Ontario the commodity. The company proposed that its subsidiary, Trans-Canada Pipe Line Co., build a 2,240-mile line to Ontario and Quebec. Cost of the line was estimated at $253 millions.

Other firms seeking permits to export natural gas from Alberta are Prairie Pipe Lines Ltd., Western Pipe Line Co. and Northwest Natural Gas Co. (The Financial Post, Sept. 15).

J. F. Dougherty, Dallas geologist, estimated Alberta's present gas reserves at 13,707 billion cu. ft. with 8,414 billion cu. ft. immediate available for sale. After provision for Alberta's estimated needs for the next 30 years, he estimated 4,407 billion cu. ft. available for export, sufficient to meet his company's (Delhi) needs of 365 million cu. ft. a day for the proposed pipeline to serve Eastern Canada.

Dr. A. W. Nauss, Calgary geologist, estimated present gas reserves to be 4 trillion cu. ft. in the province in excess of calculated requirements for Alberta for the next 30 years. Last January, the Alberta Government placed recoverable reserves at 4.4 trillion cu. ft., approximately the amount needed for Alberta for the 30-year period.

Textile Meet For Winnipeg

Winnipeg is fast emerging as a leading textile manufacturing centre and for that reason the Canadian Woollen & Knit Goods Manufacturing Assoc. will hold its 29th annual meeting there on Oct. 16, 17 and 18.

An extensive program is being arranged with the co-operation of Winnipeg manufacturers to make this the largest gathering in the history of the association. The wool textile and knitted goods industry comprises some 550 mills and more than 250 members are expected at Winnipeg from other parts of Canada.

Tobacco Group Urges Tax Cut

Cigarette smokers all across the country and Ontario's 4,000 flue-cured tobacco growers are watching closely the outcome of a delegation this week to Ottawa seeking lower taxation on cigarettes. The delegation—a committee of Flue Cured Tobacco Marketing Association of Ontario —is urging an immediate tax adjustment so that Canadian cigarettes can sell again at 35c a package. (Present price in most provinces is 40c, and a few cents more in those provinces which have a provincial sales tax in force.)

Declines in cigarettes taxed for the first three months since imposition of the April added tax are: May 7.8%, June 17.4% and July 5.36% — an average of 10.8%. "It will be of interest to every Canadian" the committee states, "to note the August figures. We believe they will show an even greater rate of loss of sales." The committee has estimated the present rate of loss to the Government in lower taxation revenue as $8 millions and $4 millions to tobacco farmers in direct income loss.

Conditions will require "a considerable decrease in the present tax of $12.54 per thousand," the committee states. "A mere return to the tax level before the last increase of $1.50 per thousand in April will not solve the problem." The committee announces plans to place the facts of "excessive and discriminatory tobacco taxation" before the government and the public through grower's meetings, a delegation to Ottawa, and release of a series of studies of the effect of the present high rate

THE WEEK'S QUOTATIONS

Quotations here listed are the official stock exchange prices for listed stocks including curb market quotations. For unlisted stocks, quotations by unlisted dealers are given. The Financial Post cannot accept any responsibility for these quotations.

Montreal and Toronto Winnipeg, Calgary and Vancouver

WEEK ENDING SEPTEMBER 14, 1951

Range 1951 High	Low	Div. R'te	Yld Sep14 $	%	Company	Sales	Last Sept. 7	Week end. Sept. 14 H	L	Cl'se
22¼	18¾	**			Abitibi	34550	19¼	21	19¼	20¼
25½	24¼	1.50	6.00		Do. $1.50 pf.	2890	25¼	25½	25	25
8¼	6	**.37½			Acadia Atlan.	2130	7	7¼	6¼	6¼
105	100	5.00	5.00		Do. 5% pref.	45	101	100	100	100
21	18	1.20	6.5		Do. A pref.	1730	19	19¼	18½	18½
12	9	.60	5.6		Agnew Surp.	510	10¼	10½	10¼	10¼
4.50	1.50	*			Albt. Dist.	7525	3.20	3.30	3.10	3.15
4.25	1.80	*			Do. V.T.	3050	3.25	3.20	3.00	3.00
61¼	28	*			Algoma Steel	22244	52¼	61¼	53	60¼
26½	23	1.00	4.0		Alum of Can p	1025	25	25¼	25	25
112	91	**2.55			Aluminium	11977	102¼	112	100	111
14	7	†.30			Amal. Electric	40	10	11	11	11
15¼	7	.40	3.2		Andian Nat.	200	12¼	12½	12¼	12½
35	31¼	** .45			Ang Cdn Pulp	890	34¼	34½	34¼	34½
44¼	40	2.25	5.6		Ang Can Tel p	10	40	40¼	40¼	40¼
14¼	9	**.30			Ang. Nfld.	14205	12¼	12¼	12¼	12¼
15	8½	.60	4.1		Argus	5665	14¼	15	14¼	14½
92	75	4.50	5.1		Do. 4½% pref.	60	88	88	88	88
72	39	2.00+**.50			Asbestos	3682	72	72	70	71
17	12½	.60	3.5		Ashdown H. A.	20	14¼	17	17	17
19½	15½	**1.00			Do. (B)	733	18½	19½	18½	19
25¼	12½	**.75			Atlas Steels	8645	24¼	24½	22½	23¼
8½	6¼	**.37½			Auto. Electric	125	7	6¼	6¼	6¼
21½	19½	.80	4.0		Bk. Montreal	100	4¼	4¼	4¼	4¼
32½	26¼	1.00+.20			Bk. Nova Scotia	1000	20	20	20	20
46	34	1.40+**.20			Bk. N. Scotia	3496	27½	28¼	27½	28
2.25	.75	*			Do. Rights	1975	36½	37	36	36
43¼	38	1.40+**.20			Bk. Toronto	16182	1.40	1.40	1.30	1.20
55	40	3.00+1.00			Bathurst Pr A	325	39½	40¼	40	40¼
36¼	16	**1.00			Do. (B)	200	54½	55	54	54
13	9½	.80	6.4		Beatty Bros.	1479	36	36½	33	34½
45	39½	**2.00			Beaver Lumber	1445	12¼	13	12¼	12½
41¼	39	2.00	5.1		Bell Telephone	15	45	45	45 -	45
8	6	.40	6.6		Biltmore Hats	1973	40	40	39½	39½
17	12	1.00	7.7		Do. (A)	150	7	6	6	6
58	50½	2.50	4.8		Blue Ribbon, p	180	13	13	13	13
17½	15½	1.00	5.9		Brant. Cord. A	50	52	52	52	52
15½	14½	1.00	6.6		Brant. Roof. A	20	17	17	17	17
27¼	22	2.00	7.8		Brazilian Tr.	8	15	15½	15½	15½
17½	13½	.80	5.6		Br Am Bk N's	30176	24½	25¼	24½	25¼
22¼	19½	*			Br Am Oil n	25	14¼	14½	14¼	14¼
90	78	4.00			Brit Am Oil p	46339	22¼	22½	22¼	22½
101¼	93	4.75	5.1		B.C. El. 4% pf.	160	81	80	79	80
101	87	4.40	4.0		B.C. 4½% pref.	65	93¼	94	93¼	94
22	12½	.75	3.8		B.C. Forest	92120	9¼	10¼	9	10¼
21	8	**.70			B.C. Packers A	1025	18½	22	19½	19½
32½	28	1.60	5.3		Do. (B)	1265	20½	21	19	19
6¼	4	*			B.C. Power A	1484	29½	30	29½	30
16¼	9½	*			Do. (B)	27968	16½	16½	15½	16
123	96	♣5.00			Brown Co.	826	6	6	5¼	6
54½	47	♣3.00			Do. 1st pref.	531	119½	121½	119	121
24	19	1.20	5.7		Do. 2nd pref.	500	52¼	52½	51½	52
15½	8½	.60	6.0		Bruck Mills A	1275	21	21	21	21
35	30½	1.80	5.1		Building Prod.	450	9½	10	9½	9½
23	18	1.00	4.9		Burlington, St'l	995	33	35	33½	35
61	34	4.25	10.0		Burnett Ltd.	235	20½	20½	20	20½
57½	40	2.00	5.5		Burns & Co. A	100	41	41	41	41
43	28	2.00	5.0		Do. (B)	1727	56½	58½	55	55
8½	7½	.45	6.1		Burrard D.D. A	722	47	47	47	47
12½	9	**.75	5.0		Butterfly Hos.	1050	7¾	8	7¼	8
4.72	2.65	.10	3.0		Canada Bread	715	9½	9½	9	9¼
56	46	2.50	4.8		Do. pref. B	800	3.30	3.55	3.30	3.30
55	50½	1.50			Canada Cement	55	50¼	52	49	52
29½	26½	1.30	4.7		Do. pref.	1236	93	93	90	90¼
23½	19	1.00	4.9		Can. Can.	620	27¼	28	27½	27½
33	27½	1.20+stk.			Can. Forg. A	3110	20½	20½	20	20½
23	19½	1.20	5.9		Can. Iron	20	20	20	20	20
54	45	2.00+†.50			Can. Malting	2850	21½	21½	20½	20½
12¼	10	.60	5.6		Can. Nor. Pr.	425	52	53	51¼	51½
45¾	38	1.50	3.7		Can. Packers A	285	11	11	10½	10½
39	31	**1.50			Do. B	335	39	40½	39	40½
54½	45	2.00	4.3		Can. Perman.	1690	33	34½	33	34
102	101	*			C. Safeway 5%	425	47	46½	46½	46½
47	23	1.00	2.2		Can. Steamsh's	1	101½	102	102	102
56½	43½	2.50	5.2		Do. pref.	424	45	46½	45	45
18¼	13½	1.25	7.4		Can Varn 5% p	133	46½	48	46	48
15	13	.60	5.2		Can. Vinegars	20	18	17	17	17
80	61½	3.00	3.8		C. W Cable B.	51	15¼	15¼	14¼	14½
12	8½	.50	4.2		Can. Bakeries	261	75	80	75	80
28½	24	1.00+**.20			Can. Bk. Com.	200	12	12	12	12
21¼	17	**1.00			Can. Breweries	2485	25½	26	25	26
35	29½	1.25+**.50			Can. Bronze	8824	20½	20½	20	20½
34½	24½	2.00+**.40			Can. Canners	350	34	35	34¼	35
17¼	13¼	.80	5.1		Can Car & F'y	1510	34	34	32	33½
19	16	1.00	5.7		Do. pref. A	2513	16	16	15½	15½
28½	20½	2.40	3.9		Can. Celanese	2355	17	18	17¼	17¼
39¼	35	1.75	4.7		Do. pref.	2230	61	62	59¼	61
24	20½	1.00	4.6		Do. $1 pref.	30	23¼	23½	23	23½
3.10	2.75	.15	3.0		Can. Colliers	50	22	22	22	22
95	78	2.80+.50	3.0		Can. Cottons	53675	4.65	5.10	4.70	5.00
32	27	1.20	4.3		Do. pref.	510	86	85	85	85
51	27½	1.70	3.9		Can. Dredge	75	29	28	28	28
65	46	3.00	4.6		Can. Fairb.	130	43	43	43	43
139	119	6.00	5.0		Do. pref.	25	64	65	65	65
4.60	3.00	*			Can Food Prod	25	119	120	120	120
9½	5½	*			Do. (A)	240	3.50	3.40	3.15	3.30
70	56½	4.50	7.1		Do. pref.	100	61	61	7	7
405	361	8.00+**4.00			Can. Gen. Elec.	45	60	63	60	63
25	20½	1.19½	5.0		Can. Gy. Inv.	6	400	405	405	405
120	100	**1.00			Can. Indust.	1022	23½	24	23½	24
90	70	5.00+**5.00			C. Ingersoll R	1713	44	46	44	45
36½	26	**1.50			Can. Locomo.	9	165	163	163	163
4.40	3.00	*			Can. Marconi	955	35	35	34	34½
25	17½	1.00	4.3		Can. Oil	4350	3.70	3.80	3.60	3.65
102	99	5.00	5.0		Do. 5% pf.	650	23½	23½	22½	23½
24	23½	**1.75			Can. Packers A	45	99½	100	99½	99½
9	3½	*			C. Pr & Pa. In	29327	33½	34	32½	34
47	30	♣1.20+**.50			Do. pref.	358	8¼	8¼	8	8
103½	98	5.00	5.0		Can. Tire	75	47	45	45	45
22¼	13½	**.50			Can. Util. pf.	110	32	33	30	33
17	14	**1.00			Can. Vickers	3425	20½	20½	19½	20
13¼	10	*	3.2		C. Wallpaper B	25	16	16	16	16
82	69	2.00	2.5		C. W. Lumber	46805	12¼	13	11¼	12½
36	26	1.50	4.2		Can. Westing'e	355	80¼	82	81¼	81½
25	17½	**.40			C Wire Box A	40	35¼	35¼	35¼	35½
14½	12	.80+.60			Capital Estates	667	17½	19	18	18½
117	109	7.00	6.4		Cassidy's	325	13½	13	12	12
13¾	8½	**.25			Do. pref.	10	110	109	109	109
9½	7½	**.30			Chatco Steel	235	9½	9½	9	9½
1.60	.89	*			Ch. Gai Wines	32100	1.25	1.38	1.18	1.20
10	5¼	1.00	1.8		Chem Research	50	6	5¼	5¼	5¼
1.75	.75	*			Circle Bk. Knit	200	1.55	1.60	1.60	1.60
36	28	*			Claude Neon B	95	34	34	32	32
4.90	3.65	.24	5.9		Do. pref.	5130	4.15	4.15	4.05	4.05
17	11½	*			Coast Brew.	355	16½	17	16½	17
42½	22½	1.60	4.0		Cochrane-D.	5220	41½	41½	40	40½
16½	13½	1.60	5.9		Cockshutt Plow	70	13½	13½	13½	13½
22½	21	1.10	5.1		Cockfield, B. J.	200	5¼	5¼	5¼	5¼
18½	15½	**.90	7.6		Comm. Alcohol	20205	6¼	8	6¼	6¼
33¼	28½	♣1.50+†.50			Do. pref.	4505	8	8	8	9
16	11	*			Conduits Nat.	285	12	12	12	12½
1.30	.60	*			Cons. Bakeries	615	7½	7½	7¼	7¼
28	19½	**.75			Cons. Div Sec A	74	1.30	1.00	1.00	1.00
14	12	**1.25			Do. pref.	205	12½	12½	12	12½
43	32½	1.50+**.75			Cons. Litho.	14	26	26	26	26
172	126	3.00+**7.50			Cons. Paper	22063	39½	43	39	43
26¾	16½	1.20	5.5		Cons. Smelt.	3491	168	172	166½	172
165¼	141½	8.00	5.6		Cons. Textiles	500	22	22	22	22
30½	25	1.50	5.4		Consumers Gas	249	144	145	141¼	143
17½	10	**.25			Consum. Glass	225	26½	28	28	28
28¼	17½	**.25			Corby's A	4120	12½	13¼	12¼	13¼
28¼	17½	**.85			Do. (B)	475	12	13	12	13
6¼	5	.50	9.1		Cosmos Imp.	674	28	28¼	28	28
15	10	.60	4.1		Craig Bit	200	5¼	5¼	5¼	5¼
130	115	5.00	4.4		Crain, R. L.	5	14	14¼	14½	14½
71	53½	4.00	5.7		Crown Trust	30	115	115	115	115
40½	33	1.00+**.25			Crow's N. Coal	215	70	70	68	70
24	18	1.50	8.1		David Fre A	100	39	39	39	39
10	7	.70	8.7		Davis Leath. A	510	20½	21	18½	18½
87	45	†1.00			Do. (B)	130	7	8	7	8
34	26½	1.20	4.1		De Havilland A	45	52	52	50	52
31½	25½	1.00+**.20			Distill-Seag.	17575	27¼	29½	28½	29½
67	55	1.60+**1.50			Dom. Bank	990	27	29	27½	29
23½	21	1.50	7.1		Dom. Bridge	2093	64	66	60	66
13½	10	.80	7.3		Dom. Coal, pf.	1915	21¼	21½	21	21
22	17	1.75	8.8		Dom. Corset	175	10	11	11	11
70	73	3 + †1.50			Dom. Dairies, p	50	20	20	11	11
102	97½	4.50	4.5		Dom. Engineer.	60	108	109	109	109
15	13	**.12½			Dom. Forand 4½% p	365	99½	100	100	100
80	60	1.60+**1.25			Dom. Glass	14203	14¼	14½	14¼	14½
35½	28	1.40	4.4		Do. pref.	430	73½	73½	73	73½
15½	11½	*			Dom. Magnes.	100	32	32	32	32
25	23½	1.00	4.0		Dom. Malting	575	13	13½	13½	13½
102½	97½	5.00	5.1		Do. pref.	10	25	25	25	25
42	37½	1.60+**.50			Dom. Oilcloth	10	97½	98½	98½	98½
13½	9½	*			Dom. Scot. Inv.	285	42	41½	41½	41½
48½	42	2.50+**.20			Do. pref.	50	12½	12½	12½	12½
75	60	4.00	6.5		Dom. Square	100	42½	42½	42½	42½
14½	10	.50	4.1		Dom. St. & C.	100	62	62	62	62
13	9	**.30			Dom. Stores	23716	22½	22½	22½	22½
49½	30½	1.50	3.1		Dom. Struct Stl	1003	12¼	12½	12¼	12½
20	14	1.00	4.7		Dom. Tar & Ch	500	12	12	12	12
16½	13	**.90			Do. pref.	7310	45½	49½	46	48½
26	24	1.20	4.8		Dom. Textile	460	21½	21½	21	21½
54	31½	.25	5.2		Do. 20% pf.	8405	14½	14½	14	14½
36½	29	1.20	3.9		Hydro Electric	552	10	9½	9½	9½
41¼	29½	.60	1.5		Imperial Bk.	900	42	43	41	42
14½	12	.80+.60			Imperial Oil	17802	40½	41	39¾	39½
117	109	7.00	6.4		Do. pref.	6269	10¼	11¼	10½	11½
13¾	8½	**.25			Chatco Steel	1180	23½	23½	23½	23½
9½	7½	**.30			Ch. Gai Wines	615	6¼	6	5¾	6
1.60	.89	*			Chem Research	32100	1.25	1.38	1.18	1.20
10	5¼	1.00	1.8		Circle Bk. Knit	50	6	5¼	5¼	5¼
36	28	*			Claude Neon B	200	1.55	1.60	1.60	1.60
4.90	3.65	.24	5.9		Do. pref.	95	34	34	32	32
17	11½	*			Coast Brew.	5130	4.15	4.15	4.05	4.05
42½	22½	1.60	4.0		Cochrane-D.	355	16½	17	16½	17
16½	13½	1.60	5.9		Cockshutt Plow	5220	41½	41½	40	40½
22½	21	1.10	5.1		Cockfield, B. J.	70	13½	13½	13½	13½
18½	15½	**.90	7.6		Comm. Alcohol	20205	6¼	8	6¼	6¼
33¼	28½	♣1.50+†.50			Do. pref.	4505	8	8	8	9
16	11	*			Conduits Nat.	285	12	12	12	12½
1.30	.60	*			Cons. Bakeries	615	7½	7½	7¼	7¼
28	19½	**.75			Cons. Div Sec A	74	1.30	1.00	1.00	1.00
14	12	**1.25			Do. pref.	205	12½	12½	12	12½
43	32½	1.50+**.75			Cons. Litho.	14	26	26	26	26
172	126	3.00+**7.50			Cons. Paper	22063	39½	43	39	43
26¾	16½	1.20	5.5		Cons. Smelt.	3491	168	172	166½	172
165¼	141½	8.00	5.6		Cons. Textiles	500	22	22	22	22
30½	25	1.50	5.4		Consumers Gas	249	144	145	141¼	143
17½	10	**.25			Consum. Glass	225	26½	28	28	28
28¼	17½	**.25			Corby's A	4120	12½	13¼	12¼	13¼
28¼	17½	**.85			Do. (B)	475	12	13	12	13
6¼	5	.50	9.1		Cosmos Imp.	674	28	28¼	28	28
15	10	.60	4.1		Craig Bit	200	5¼	5¼	5¼	5¼
130	115	5.00	4.4		Crain, R. L.	5	14	14¼	14½	14½
71	53½	4.00	5.7		Crown Trust	30	115	115	115	115
40½	33	1.00+**.25			Crow's N. Coal	215	70	70	68	70
24	18	1.50	8.1		David Fre A	100	39	39	39	39
10	7	.70	8.7		Davis Leath. A	510	20½	21	18½	18½
87	45	†1.00			Do. (B)	130	7	8	7	8
34	26½	1.20	4.1		De Havilland A	45	52	52	50	52
31½	25½	1.00+**.20			Distill-Seag.	17575	27¼	29½	28½	29½
67	55	1.60+**1.50			Dom. Bank	990	27	29	27½	29
23½	21	1.50	7.1		Dom. Bridge	2093	64	66	60	66
13½	10	.80	7.3		Dom. Coal, pf.	1915	21¼	21½	21	21
22	17	1.75	8.8		Dom. Corset	175	10	11	11	11
70	73	3 + †1.50			Dom. Dairies, p	50	20	20	11	11
102	97½	4.50	4.5		Dom. Engineer.	60	108	109	109	109
15	13	**.12½			Dom. Forand 4½% p	365	99½	100	100	100
80	60	1.60+**1.25			Dom. Glass	14203	14¼	14½	14¼	14½
35½	28	1.40	4.4		Do. pref.	430	73½	73½	73	73½
15½	11½	*			Dom. Magnes.	100	32	32	32	32
25	23½	1.00	4.0		Dom. Malting	575	13	13½	13½	13½
102½	97½	5.00	5.1		Do. pref.	10	25	25	25	25
42	37½	1.60+**.50			Dom. Oilcloth	10	97½	98½	98½	98½
13½	9½	*			Dom. Scot. Inv.	285	42	41½	41½	41½
48½	42	2.50+**.20			Do. pref.	50	12½	12½	12½	12½
75	60	4.00	6.5		Dom. Square	100	42½	42½	42½	42½
14½	10	.50	4.1		Dom. St. & C.	100	62	62	62	62
13	9	**.30			Dom. Stores	23716	22½	22½	22½	22½
49½	30½	1.50	3.1		Dom. Struct Stl	1003	12¼	12½	12¼	12½
20	14	1.00	4.7		Dom. Tar & Ch	500	12	12	12	12
16½	13	**.90			Do. pref.	7310	45½	49½	46	48½
26	24	1.20	4.8		Dom. Textile	460	21½	21½	21	21½
54	31½	.25	5.2		Do. 20% pf.	8405	14½	14½	14	14½
36½	29	1.20	3.9		Hydro Electric	552	10	9½	9½	9½
41¼	29½	.60	1.5		Imperial Bk.	900	42	43	41	42
14½	12	.80+.60			Imperial Oil	17802	40½	41	39¾	39½
117	109	7.00	6.4		Do. pref.	6269	10¼	11¼	10½	11½
13¾	8½	**.25			Chatco Steel	1180	23½	23½	23½	23½
9½	7½	**.30			Ch. Gai Wines	615	6¼	6	5¾	6
1.60	.89	*			Chem Research	32100	1.25	1.38	1.18	1.20
10	5¼	1.00	1.8		Circle Bk. Knit	50	6	5¼	5¼	5¼
36	28	*			Claude Neon B	200	1.55	1.60	1.60	1.60
4.90	3.65	.24	5.9		Do. pref.	95	34	34	32	32
17	11½	*			Coast Brew.	5130	4.15	4.15	4.05	4.05
42½	22½	1.60	4.0		Cochrane-D.	355	16½	17	16½	17
16½	13½	1.60	5.9		Cockshutt Plow	5220	41½	41½	40	40½
22½	21	1.10	5.1		Cockfield, B. J.	70	13½	13½	13½	13½
18½	15½	**.90	7.6		Comm. Alcohol	20205	6¼	8	6¼	6¼
33¼	28½	♣1.50+†.50			Do. pref.	4505	8	8	8	9
16	11	*			Conduits Nat.	285	12	12	12	12½
1.30	.60	*			Cons. Bakeries	615	7½	7½	7¼	7¼
28	19½	**.75			Cons. Div Sec A	74	1.30	1.00	1.00	1.00
14	12	**1.25			Do. pref.	205	12½	12½	12	12½
43	32½	1.50+**.75			Cons. Litho.	14	26	26	26	26
172	126	3.00+**7.50			Cons. Paper	22063	39½	43	39	43
26¾	16½	1.20	5.5		Cons. Smelt.	3491	168	172	166½	172
165¼	141½	8.00	5.6		Cons. Textiles	500	22	22	22	22
30½	25	1.50	5.4		Consumers Gas	249	144	145	141¼	143
17½	10	**.25			Consum. Glass	225	26½	28	28	28
28¼	17½	**.25			Corby's A	4120	12½	13¼	12¼	13¼
28¼	17½	**.85			Do. (B)	475	12	13	12	13
6¼	5	.50	9.1		Cosmos Imp.	674	28	28¼	28	28
15	10	.60	4.1		Craig Bit	200	5¼	5¼	5¼	5¼
130	115	5.00	4.4		Crain, R. L.	5	14	14¼	14½	14½
71	53½	4.00	5.7		Crown Trust	30	115	115	115	115
40½	33	1.00+**.25			Crow's N. Coal	215	70	70	68	70
24	18	1.50	8.1		David Fre A	100	39	39	39	39
10	7	.70	8.7		Davis Leath. A	510	20½	21	18½	18½
87	45	†1.00			Do. (B)	130	7	8	7	8
34	26½	1.20	4.1		De Havilland A	45	52	52	50	52
31½	25½	1.00+**.20			Distill-Seag.	17575	27¼	29½	28½	29½
67	55	1.60+**1.50			Dom. Bank	990	27	29	27½	29
23½	21	1.50	7.1		Dom. Bridge	2093	64	66	60	66
13½	10	.80	7.3		Dom. Coal, pf.	1915	21¼	21½	21	21
22	17	1.75	8.8		Dom. Corset	175	10	11	11	11
70	73	3 + †1.50			Dom. Dairies, p	50	20	20	11	11
102	97½	4.50	4.5		Dom. Engineer.	60	108	109	109	109
15	13	**.12½			Dom. Forand 4½% p	365	99½	100	100	100
80	60	1.60+**1.25			Dom. Glass	14203	14¼	14½	14¼	14½
35½	28	1.40	4.4		Do. pref.	430	73½	73½	73	73½
15½	11½	*			Dom. Magnes.	100	32	32	32	32
25	23½	1.00	4.0		Dom. Malting	575	13	13½	13½	13½
102½	97½	5.00	5.1		Do. pref.	10	25	25	25	25
42	37½	1.60+**.50			Dom. Oilcloth	10	97½	98½	98½	98½
13½	9½	*			Dom. Scot. Inv.	285	42	41½	41½	41½
48½	42	2.50+**.20			Do. pref.	50	12½	12½	12½	12½
75	60	4.00	6.5		Dom. Square	100	42½	42½	42½	42½
14½	10	.50	4.1		Dom. St. & C.	100	62	62	62	62
13	9	**.30			Dom. Stores	23716	22½	22½	22½	22½
49½	30½	1.50	3.1		Dom. Struct Stl	1003	12¼	12½	12¼	12½
20	14	1.00	4.7		Dom. Tar & Ch	500	12	12	12	12

Government Bonds

Sept. 18, 1951

(Supplied by Investment Dealers' Assoc. of Canada)

%	Due	Bid	Ask
Victory Loans:			
3	Mar. 1954 ...	101	101¼
3	Nov. 1956 ...	100¼	100¾
3	May 1957 ...	99¼	99½
3	Jan. 1959 ...	99¼	99½
3	June 1960 ...	99¼	99¾
3	Feb. 1962 ...	97½	98
3	Oct. 1963 ...	97¼	97½
3	Sept. 1966 ...	97¼	97½
Dom. of Can. Bonds:			
3	June 1958 ...	99	99¼
3½	June 1966 ...	100	100¼
3	Perpetual ...	93	93½
2½	June 1968 ...	93½	94¼
3¼	Feb. 1952 ser. C ...	101¼	101¾
Can. Nat. W. Ind. S.S.:			
5	Mar. 1955 .. ▪112½		114½
Grand Trunk Pacific Rly.:			
3	Jan. 1962 .. ▪105		106½
4	Jan. 1962 .. ▪113¾		115¼
Dom. Guaranteed Bonds			
Can. Nat. Railways:			
3	Jan. 1959 ...	98	98½
4½	Feb. 1956 .. ▪113¾		114½
4½	July 1957 .. ▪115		116½
5	Feb. 1954 ...	103½	104
4½	June 1955 .. ▪113¾		115
2½	Jan. 1967 ...	93¼	94
2¾	Sept. 1969 ...	94	94½
3	Jan. 1966 ...	96½	97¼

%	Due	Bid	Ask
Prov. Govt. Bonds			
Alberta:			
2½	Dec. 1953/57.	96	97
British Columbia:			
4½	Jan. 1969 .. ♦117¼		120¼
5	Sept. 1953 ...	102½	103¼
3	Dec. 1960 ...	95	96½
3	June 1964 ...	93	94½
5	Sept. 1959 .. ♦116½		119½
B. C. Power Comm.:			
3	Oct. 1957 ...	91¼	92¼
Manitoba:			
4	Dec. 1957 .. ♦110¼		112¼
5	Dec. 1959 .. ▪111¼		113¾
5½	July 1958 ...	108	110
3	Oct. 1965 ...	92	93½
4½	Dec. 1956 .. ♦110¼		112¼
New Brunswick:			
4½	Apr. 1961 .. ♦108¼		111
2½	June 1966 ...	80	82
3¼	May 1957 ...	93½	94½
3½	Sept. 1965 ...	87	89
Nova Scotia:			
4½	Nov. 1960 .. ♦112½		113¾
5	Mar. 1960 .. ♦115¼		118½
3½	June 1963/65.	94	95
3	June 1956/58.	95¼	96¼
2½	June 1965/68.	85¼	87

%	Due	Bid	Ask
Ontario:			
2½	Nov. 1965/69.	90	91
3½	May 1952/55.	99	100
4	June 1962 .. ▪112½		115¾
4½	Jan. 1962 .. ♦117¼		120¼
2½	July 1967/76.	87½	89¼
3	Nov. 1963/65.	95¼	96
5	May 1959 .. ▪118¼		120¼
Ont. Hydro Commission:			
4	Aug. 1957 .. ▪110½		113¼
2½	Oct. 1965/68.	89½	90½
3	Dec. 1962/65.	93	94
3	Nov. 1967/69.	92½	93
Prince Edward Island:			
3½	Dec. 1961 ...	94½	95¼
Quebec:			
3¼	Mar. 1954/59.	99½	100¼
3½	Feb. 1952/55.	100	101
4½	Aug. 1958 ...	103½	104½
4½	Jan. 1962 ...	106¼	107¼
3	Sept. 1962/64.	94½	95¼
Quebec Hydro Commission:			
3	Feb. 1969/73.	90½	91½
3	Dec. 1958/60.	95¼	96½
Saskatchewan:			
4	Nov. 1955/60.	99¼	101
5	Aug. 1958 ...	105¼	107¼
4½	Mar. 1960 ..♦109¼		112¼
5½	Oct. 1952 ...	101	102
6	Mar. 1952 ...	101	102
5	Dec. 1959 .. ♦113½		116½
3	Mar. 1963 ...	92¼	93¼
3½	Nov. 1960/62.	94	95½
3½	Oct. 1962/65.	99	100

†Callable on or after Sept. 15, 1966. ♦Payable Can. or N.Y. ▪Payable Can., N.Y. or £.

Unlisted Stocks

(Compiled from quotations by Intercity Securities Ltd., Toronto and Kippen & Co., Montreal).

September 17, 1951

	Bid	Ask
Algoma C. & H.B. Rly. com.	20.00	21.00
Aliens Toronto units	43.50	....
Anglo Can. Telephone A	11.75	12.25
Ash Temple Ltd.	1.50	2.50
Beauharnois L. H. & Power	25.50	28.00
Brand & Millen A	....	.25
B. C. Sugar	95.50	97.50
Brockville Trust & Savings	64.00	....
Brockville Trust rights	.70	....
Canada Life Assce.	710.00	740.00
Can. Fire Insurance	22.75	....
Canadian Indemnity	33.50	....
Can. Motor Lamp com.	18.00	19.50
Can. Superior Oils	17.50	18.00
Can. Tire new pfd.	18.00	19.50
Can. West. Nat. Gas com.	65.00	....
Do. pfd.	18.25	19.50
Capital Wire Cloth com.	15.00	....
Carlton Club	40.00	47.00
Chase, A. W. units	53.50	56.00
Colonial Steamships com.	150.00	....
Do. pfd.	65.00	75.00
Comm. Finance Corp.	28.50	31.50
Comm. Life 10% paid	10.75	....
Continental Life Assoc.	51.00	....
Crookville A	17.00	19.00
Do. B	11.00	13.00
Cuban Can. Sugar com.	9.00	....
Detroit Intl. Bridge	19.50	21.00
Dom. Royalties com.	.26	....
Dover Industries Ltd.	8.75	9.50
Dunlop Tire pfd.	23.75	24.75
Dupuis Freres pfd.	20.00	23.00
Empire Life Ins. 25% pd. $50	20.00	....
Empire Life fully pd.	17.25	18.50
Essex Packers com.	.85	1.50
Do. pfd.	16.00	19.00
Fibre Prods. 2nd pfd.	.50	.90
Fibre Products 2nd pfd.	.50	.90
Fidelity Trust Wpg.	8.00	10.00
Foreign Power Sec. pfd.	15.00	20.00
Gait Brass com.	36.00	....
Goderich Elevator & Trans.	15.75	16.50
Granite Club	13.00	14.50
Great Britain & Can. Inv.	1.00	....
Great-West Life	585.00	....
Guardian Realty pfd.	54.00	57.00
Guaranty Co. of N. America	380.00	420.00
Hart Battery com.	12.00	15.00
Heaps Waterous com.	1.50	2.00
Hudson Bay Co.	16.00	17.00
Husky Oil & Ref.	11.75	12.25
Imperial Life Assce.	38.00	39.00
Industrial Mtge. Trust	66.00	....

	Bid	Ask
Lambton Golf	140.00	155.00
Internat. Holdings com.	11.00	11.75
Lambton Loan Sarnia	84.00	87.00
Laprairie Inc. com.	10.00	....
Do. pfd.	100.00	....
London Can. Inv. $3 pfd.	46.50	....
Do. A	30.50	....
Manufacturers Life Ins.	425.00	....
Maple Leaf Mill. 5% pfd.	.86	.95
Medical Arts Bldg. Toronto	40.50	....
Missauga Golf	15.00	20.00
Monarch Life 40% paid	145.00	....
Mountainview Apts. pfd.	29.00	....
Nat. Drug & Chem. com. n.	8.00	10.00
Nat. Life A 25% paid	63.00	68.00
New Brunswick Telephone	11.50	13.00
Niagara Lower Arch Bridge	35.00	38.00
Northern Tel. com.	1.40	1.50
Oakville Wood 6% pfd.	84.00	90.00
Office Specialty new com.	8.00	9.00
Ont. Jockey Club	2,400.00	2,700.00
Ont. & Que. Riy. 5% c. stks.	137.00	....
Ottawa Valley Trust	83.00	88.00
Park Lawn Cemetery	1.40	1.75
Peller Brewing com.	1.10	1.35
Do. pfd.	10.75	....
Provincial Bank of Can.	15.50	16.50
Prudential Trust Co.	13.00	15.50
Reliance Pet. pfd.	40.00	44.00
Do. A & B	16.50	20.00
Ritchie Cut Stone pfd.	10.75	....
Rosedale Golf	1.40	....
St. Andrew's Est. units	1.25	1.50
Sawyer Massey com.	2.00	....
Scarboro Golf	9.00	....
Sec. Stand. Royalties pfd.	.05	.07
Seiberling Rubber com.	11.00	14.00
Sincennes McNaught, Lines	2.00	2.75
Sherbrooke Trust Co.	140.00	....
Sovereign Life 25% paid	64.00	67.50
Standard Fuel pfd. 4½%	37.00	39.00
Do. com.	4.50	....
Summit Golf	13.00	....
Sun Life Assce. Co. new	180.00	195.00
United Co-Op's Ont. pfd.	3.00	....
United Farmers Co-op.	3.00	....
United Steel pfd.	24.25	25.50
Universal Cooler 6% pfd.	85.00	95.00
Waterloo Mfg.	7.25	8.25
Waterloo Tr. & Savings	125.00	128.00
Wood, Alex. units	103.00	....
Do. com.	6.00	....
York Downs Golf free trans.	253.00	285.00
Do. nonfree	40.00	....

Significant Investors' Index Numbers

	No. of Securities	Mach. and equip.	Pulp and paper	Mill-ing	Oils	Textiles and cloth-ing	Food and allied prod.	Bever-ages	Bldg. mater.	Power and trac-tion	Banks	Total utili-ties	Total co's
		11	10	4	5	10	14	10	16	11	8	15	105
1935 to date:													
High		448.2	613.5	149.7	158.6	410.5	138.5	474.9	312.5	146.8	160.9	172.5	180.0
Low		69.7	51.6	61.2	41.2	78.4	79.5	79.3	66.7	60.2	60.0	65.2	61.1
1951:													
Monthly Figures:													
Jan.		401.9	481.6	104.7	110.1	359.3	125.6	442.4	244.8	235.8	155.6	148.6	153.8
Feb.		422.2	531.6	110.5	126.9	369.6	127.8	463.4	259.7	146.0	158.5	163.2	166.5
Mar.		411.1	513.3	107.1	133.6	383.0	124.4	441.2	251.6	142.4	150.0	158.9	162.9
Apr.		415.8	568.3	106.1	138.2	369.0	123.4	445.4	260.9	143.9	144.1	159.7	165.6
May		406.4	579.2	104.7	138.9	363.0	121.0	436.3	264.2	139.8	141.7	156.0	164.2
June		396.4	562.2	104.1	134.1	359.8	117.9	425.6	257.6	136.0	141.1	153.0	160.7
July		405.0	568.1	111.3	135.1	355.5	115.2	421.8	264.6	137.7	140.0	155.4	162.0
1951:													
Weekly Figures													
Aug. 2		418.7	584.7	113.7	142.0	363.6	118.7	426.5	271.5	140.7	136.9	159.2	167.5
Aug. 9		420.2	585.4	117.6	143.4	367.4	118.5	422.8	270.0	143.3	136.3	162.5	169.0
Aug. 16		416.3	584.4	117.9	143.0	366.6	118.3	411.9	276.0	143.6	137.0	162.0	168.1
Aug. 23		415.2	589.4	120.1	141.7	364.8	118.8	416.0	277.7	140.1	137.3	161.0	167.9
Aug. 30		425.5	598.5	119.4	156.2	370.7	117.7	420.5	287.7	142.6	136.7	168.2	173.8
Sept. 6		433.9	612.5	123.2	158.6	378.7	117.7	427.1	310.2	143.9	139.3	171.2	178.9
Sept. 13		448.2	613.5	125.3	156.2	374.1	119.6	446.4	312.5	146.8	141.2	172.5	180.0

*High and low for year from 1935 to date inclusive are based on weekly figures issued by the Dominion Bureau of Statistics.

▪The above indexes have been revised commencing Jan. 4, 1951.

Toronto Stock Exchange Index

	30 Indus.	20 Golds	15 B.M.	15 W.O.
Sept. 17	360.13	86.22	193.06	119.32
Sept. 15	....	....	....	....
Sept. 14	360.28	87.41	192.17	120.16
Sept. 13	357.64	87.48	191.43	118.93
Sept. 12	335.96	87.63	190.99	116.97
Sept. 11	354.31	83.58	190.50	116.46
Month Ago	337.57	85.56	183.83	109.32
Year Ago	266.28	80.83	144.43	88.73
1951 High	360.88	94.81	193.63	120.39
1951 Low	290.69	74.44	163.37	81.24

Montreal Stock Exchange Averages

	20 Util.	20 Ind.	30 Com.	10 Pprs.	15 Golds
Sept. 17	88.8	249.6	196.0	889.49	68.05
Sept. 15	....	....	....	....	....
Sept. 14	88.3	249.6	195.8	886.23	67.72
Sept. 13	88.4	249.6	195.9	853.65	67.34
Sept. 12	88.3	248.4	195.0	851.20	66.41
Sept. 11	88.4	243.9	193.4	842.22	65.57
Month Ago	86.4	232.6	183.9	826.56	65.56
Year Ago	82.4	168.2	139.6	543.19	56.33
1951 High	90.6	249.6	195.9	889.49	74.33
1951 Low	84.2	192.5	156.5	647.11	55.77

Dow-Jones Closing Stock Averages

	30 Indus.	20 Rails	15 Util.	65 Stocks
Sept. 17	275.09	84.22	45.46	98.56
Sept. 15	....	....	....	....
Sept. 14	276.06	84.45	45.55	98.86
Sept. 13	276.37	83.61	45.49	98.59
Sept. 12	275.31	83.31	45.45	98.27

	30 Indus.	20 Rails	15 Util.	65 Stocks
Sept. 11	273.88	82.31	45.33	97.61
Month Ago	263.06	80.40	45.27	94.87
Year Ago	218.10	64.44	38.86	78.50
1951 High	276.37	90.08	45.55	98.86
1951 Low	238.99	72.39	41.47	86.82

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

Sept. 18, 1951

Public Utility Issues:	Int. Rate %	Due	Bid	Ask.	Prev. Week Bid
▪Alg. Cen. H.B.R.	5	'59	148	153	148
Bell Telephone	3	'77	87½	90¼	87
Braz. Trac. L&P	4½	'70	93¼	96½	93½
B. C. Electric	3½	'67	89¼	92¼	89
Do.	3½	'75	88¼	91¼	88
Do.	3½	'69	93	96	93
B. C. Tele.	4	'62	98	101	98
C.P.R.	3½	'70	127	132	127
Can. West Nat. Gas	3½	'71	91	94	91
East Kootenay	3½	'67	84	90	84
‡Gatineau Pr. D	3½	'70	91	94	91
Gt. Lakes Pwr.	4½	'69	96	99	97½
Int. Prov. Pipe Line	4	'70	305	315	300
L. St. Law. Pwr.	4½	'59	94	....	94
Maclaren-Quebec Power	3	'69	89	92	89
Mex. Lt. & Pr.	5	'75	76	79	76
Mtl. Trams. B	5	'55	98½	101¼	98
Nat. Lt. & Pwr.	4½	'61	96	99	96½
North. Que. Pr.	4½	'67	91	94	91
Power Corp.	3½	'67	89	....	89
Quebec Power	3½	'62	91½	94½	91½
St. Maurice. Pr.	3½	'70	91	94	91
Shaw. W. & Pr.	3	'71	90	93	90
Do.	3½	'73	93½	96½	93½
Un. Fuel Invest.	4	'59	98½	101¼	98½
Wpg. Electric	3½	'71	97	100	97
Industrial Issues:					
Abitibi Pr. & P.	3½	'67	95½	98½	95½
Do.	4½	'61	104	108	104½
Acadia-Atlantic Sugar	3½	'65	95	98	95
Alaska P. & Cell.	4½	'66	99	102	100
Aluminum Co.	3½	'74	94	97	94
Anglo-Can. Oil	4	'64	136	140	138
Barvue Mines	5	'56	105	109	107
Bowater's Nfld. P. & P.	3½	'68	94	97	94
B-A Oil	3½	'61	124	128	122
B. C. For. Prod.	4½	'68	97	100	97
Brompton Pulp & Paper	3½	'66	92	95	91
Burns & Co.	4	'63	97	100	97
Can. Steamship	3½	'57	96½	99¼	96½
Do.	4	'66	94	97	94
Can. Bread	4½	'67	96	99	96
Can. Brew.	4	'69	93	96	93
Can. Canners	3½	'70	97	100	97
Can. Celanese	3	'62	91½	94½	91½
Can. Oil	3½	'82	95	98	95
Can. West. Lum.	4	'62	98	101	98
Cockshutt Plow Co.	4½	'65	99	102	99
Columbia Cell.	5	'68	99	102	99
Consol. Paper	3½	'67	98½	101¼	98½
Dom. Stl. & C.	4	'61	110	113	110
Dom. Tar & Ch.	3½	'70	92	95	92
Dom. Textile	4	'66	101	105	101
Dom. Woolens	5	'64	91	95	91
Dryden Paper	4	'65	96½	99½	96½
E. B. Eddy	3½	'66	93	96	93
Elk Falls Co.	5	'75	96	100	96
Federal Grain	4	'54	94½	97½	94½
Gen. Steel Wares	3½	'70	92	95	92
Gen. Pet. of Can.	4½	'65	110	113	106
Gt. Lakes Paper	3½	'67	94	97	94
Gt. Plains Dev.	1-4	'65	147	155	147
Imp. Tobacco	3	'70	89	92	89
Imp. Oil	3	'69	91½	94½	91
Indust. Accept.	4	'70	91	94	91
Lake St. J. P.	5	'61	101	104	101
Maple L. M.	3½	'63	94	97	94
Massey-Harris	3	'66	90	93	90
McColl-Frontenac	3	'71	86	90	86½
Mercury Mills	4	'63	88	92	88
Mon. Knitting	4½	'71	97½	100½	98
N. S. Steel Coal	3½	'63	92½	95½	92½
Page-Hersey	3½	'65	92	95	92
Price Bros.	3½	'66	94	97	94
Silv. Dairies	4	'60-64	94	97	94
Do.	4	'71	85	89	85
Simpsons Ltd.	3½	'60	97	100	97
Steel Co. of Can.	2½	'67	88½	91½	88
Supert. Pete. C.	4	'70	113	118	112
Traders Fin.	4	'65	98½	101½	98

Commodities

	Latest week	Pre-vious week	Same week last yr.
Cattle	$33.23	$33.67	$28.37
Hogs	35.85	35.85	31.60
Copper, lb.	.24½	.24½	.24½
Sugar, raw, lb.	.6555	.6565	.6575
Coffee, lb.	.34	.33⅞	.35¾
Hides	.31½	.30	.29
Weekly Indices			
U. S. Labor	176.8	176.8	169.7
Dow Jones	180.34	182.69	197.79
Fisher's	182.9	182.6	175.8
Monthly Indices			
Retail (Aug.)	188.9	187.6	168.5
W'sale (July)	244.2	242.7	212.0
U. S. (June)	181.5	182.8	155.9
Gt. Brit. (June)	320.7	319.7	255.8

Note: The base of indices is that 1926 equals 100. †Base 1935-39 equals 100. The British index is Board of Trade converted to 1930 base.

Base price of quotations is as follows: Cattle — Steers, good, up to 1,000 lb. top price, Toronto. Copper-electrolyte, New York. Coffee No. 4 Santos, Spot Raw Sugar 96 degrees centrifugal c.i.f. New York.

Municipal Bonds

September 18, 1951

	Coup.	Matur.	Bid $	Ask $	Yld. %
Victoria	3¾	'69	87	89	4.68
Vancouver	3¾	'69	89	91	4.49
Calgary	3½	'69	89	91	4.22
Edmonton	3½	'69	87	89	4.38
Regina	3	'64	86	88½	4.12
Moose Jaw	3-3½	'60	91	93	4.15
Winnipeg	3	'69	86	88	3.92
Ottawa	3¼	'68	93¾	95¾	3.60
Toronto	3¼	'68	90	92	3.63
Hamilton	3	'67	87	89½	3.90
Windsor	2½	'75	64¾	66¾	4.85
Windsor	2¾	'75	68¼	70¼	4.85
Windsor	3½	'75	78½	80½	4.85
Montreal	3	'70	85	87	3.97
Quebec	3½	'64	88	90¼	4.30
Halifax	3½	'66	88	90¼	4.40
Saint John	3½	'65	86	88¼	4.65

Investment Trusts

	Bid	Ask
Affiliated Funds	5.24	5.67
Balanced Funds	17.27	18.98
Can. Invest. Fund	6.58	7.25
Corporate Invest.	6.06	6.35
Commonwealth Int.	5.69	6.25
Investors Mutual	6.68	7.23
Leverage Fund	♦4.17	4.58
Mut. A Funds	13.61	14.62
Resources of Can.	6.47	7.11
Timed Invest.	4.60	5.05
Trans-Canada	20.70	....
Do. B	19.95	....
Do. C	4.20	4.50

Corporation Bonds (continued)

	Coup.	Matur.	Bid	Ask	Yld.
Trans Emp. Oil	3	'69	102	107	102
United Corp.	4	'58	98	101	98
United Steel	4	'60	96½	99½	96½
Un. Gr. Growers	3½	'70	90	93	90
West. Can. Brew.	5	'67	101	104	101
‡Western Grain	5	'63	100	103	100
York Knit. Mills	3½	'71	85	88	85

▪Payable in Canada, U.S. or U.K.
♦Payable in Canada or U.K.
‡Payable in Canada only.

Market Comment

What stocks and bonds are doing and what prominent observers say

All stock groups climbed to new highs for the current extended market rise. At the same time volume has zoomed to highest levels since the speculative gold market days of 1946. Expanding interest in speculative western oil stocks has been accounting for around half the share volume and a good deal of the heavy buying has been emanating from New York.

Never, perhaps, in the history of the Canadian stock market has there been such a daily wealth of company deals and rumors of deals for the speculative interests to feed on. News is breaking almost hourly in both the oil and base metal fields and there has been a sharp pick-up in number of applications for listings of Canadian stocks on the New York Curb market. All of these conditions, of course, help to intensify the speculative nature of the current market.

Earnings outlook for oil companies has little or no influence on such a market and stock prices are usually carried far out of line before the inevitable painful adjustment occurs. For instance little or no attention is being given to the likelihood that oil producers will be more severely prorated after harvesting is over in the west and that surplus conditions are likely to increase until further large-scale market outlets are developed.

* * *

A. C. COCHRANE: Bankers Bond Corp. Toronto)

Having come through the usually dull months of July and August without abatement in the upward trend of all indices, one may have anticipated at least some correction in market levels. However, quite the reverse has taken place and we are witnessing a continuous and, in certain cases such as the Western Oils, an acceleration of the upward trend.

It is difficult to assess all of the basic reasons for this stock market action in the face of the successful raising of interest levels on fixed income securities. One must conclude that the investing public is still concerned about inflation. With Corporation earnings leveling off, the urge to invest in equities as an inflation hedge, is apparently the strongest force in the market at the present time. However, this situation can not be compared with previous market "booms" in which security prices lost all relation to earnings. It is a fact that Corporation earnings continue on a high level and with defense spending not yet at full flow, certain industries will probably show even higher earnings for the balance of the current year and in 1952. It is difficult to foresee any immediate reversal of present market trends.

* * *

GILLES FORGET: Forget & Forget (Montreal)

Many people are asking whether the market is riding for a fall after rising almost uninterruptedly since July.

The answer to such seems to be the following:

True, the market has had quite a rise, but despite these appreciations most stocks still give a more than fair yield at today's prices. Moreover, huge sums of money are looking for investment and more than a fair proportion of this is looking for protection against a deflated dollar.

But, be that as it may, after such a prolonged ascension, any market becomes definitely vulnerable.

It is pointless to talk just now about a depression. The execution of the huge defensive programs, and of some large public undertakings bans such a thought. But the least bad bit of international news could provoke a sharp set-back.

Our non-democratic friends are not overlooking any angles — if they don't win on the field of battles or in international conference rooms, they try to sap our strength by creating disturbances of all kinds, and one of them is by disquieting our labor element.

They lost the battle in San Francisco, and things are not panning so well in Iran, where the government's band seems to be weakening.

* * *

MILNER, ROSS & CO. (Toronto)

The closing quarter of 1951 finds the market in a buoyant mood. Stock prices have continued to climb, with demand particularly centered on the steel, oil, lumber, base metal and other basic producers. There has been a gradually broadening interest, also, in issues such as the milling, fabricating and distilling companies. As yet, however, the unreasoned speculation usually warning of a bull market top has not been in evidence. Nor has there been an over-extension of credit — in fact, personal savings have steadily increased and margin buying has been at a minimum.

* * *

BARRON'S: The Trader (New York)

Advent of a true bear market, not an intermediate correction of a bull market, requires presence of certain definite factors. To begin with, there must be an investment medium — bonds or cash — demonstrably superior to common stocks. In the light of the Government spending program and its inflationary wage policies, cash is unappealing. With the industrial average yielding 5.96%, still more than double the high-grade bond return of 2.92%, bonds offer no compelling appeal. Finally, there must exist the potentialities of a broad liquidating movement in finance or in business, both of which are denied, respectively, by the Treasury long-term, easy-money policy and by the steady rise in industrial order backlogs.

* * *

New Highs & Lows

During the week ended Sept. 15, 46 new highs were recorded among the general stocks on Canadian stock exchanges and 19 new lows. In the mining group there were 38 new highs and 10 new lows. In the western oil group there were 30 new highs and no new lows.

GENERAL

New Highs—1951	
Algoma Steel	Dom. Tar & Chem.
Aluminium	Donohue Bros.
Argus	Fraser Cos.
Ashdown Hdwre. A	Gt. Lakes Pap. new
Bathurst Pwr. A	Hendershot Pap.
Do. B	Hinde & Dauch
Beatty Bros.	Holden Mfg. A
B-A Oil new	H. Smith Pap.
B. C. Forest	Indust. Accept.
B. C. Packers A	Do. 5% c.c.p.
Do. B	Inter'c. Coal
Can. Safeway 5%	Inter. Util.
Can. Wire & C. A	Minn. & Ont. Paper
Can. Bronze	Ont. Loan
Can. Colliers.	Page-Hersey
Can. Fairb.	Power Corp. com.
Can. Gen. Elec.	Quebec Tele. A
Can. Pacific	Sarnia Bridge
Comm. Alcohol	Shawinigan Pwr.
Do. pref.	Stand. Chemical
Cons. M. & Smelt.	Sup. Pete ord. new
Cons. Paper	United Corp. B
Cosmos Imperial	Westeel
New Lows—1951	
Auto Electric	Imp. Tob. 6% pf.
Biltmore Hats	Kelvinator
Burrard D.D. A	Mod. Contain. com.
Cassidy's	Silverwood A
Do. pref.	Tor. Gen. Tr.
Ch.-Gai Wines	Trad. Fin. ser. A rts
Circle Bar Knit.	Victoria & Grey
Consumers' Gas	Weston, G. 4½% pf.
Ford Motor B	Zeller's com.
Hunts A	

MINING

New Highs—1951	
♦Anacon Lead	Mindamar
Ascot Metals	Montauban
Aubelle	New Dickinson
Bevcourt	New Morrison
Bouscadillac	O'Leary Malartic
Broulan Reef	Omnitrans
Campbell R. L.	Perron Gold
Carnegie	Placer Develop.
Cassiar Asbestos	Quatsino
Celta Development	Que. Y'knife
Central Explorers	Quemont
Coast Copper	Regcourt
Cronin Babine	Silver Ridge
El-Pen Rey	Taylor Bridge
Golden Arrow	Thomson
Hudson Bay	Tungsten Corp.
Magnet	West. Uranium
McIntyre Porc.	Winchester
Mentor	Yukon Cons.
New Lows—1951	
Cons. Beattie	Kenmayo
Cons. Rochette	Kirk. Hudson Bay
Delnite	Pore. Prime.
Fontana	Trebor
Gillies Lake	

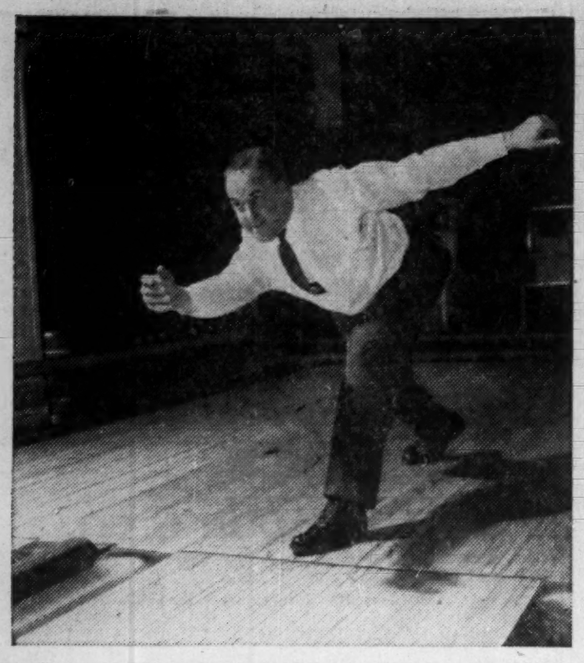
OILS

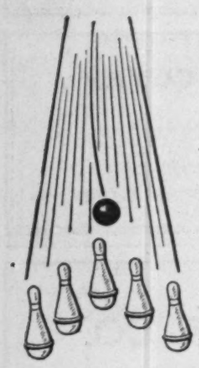
New Highs—1951	
Ajax	Jupiter
American Leduc	Kroy
Apex	Midcontinent
Calgary & Ed.	Model
Charter	New British
Command	Oil Selections
Commonwealth	Redwater Pic.
Davies Pet.	Sapphire
Devon Leduc	Security
East Crest	Selburn
Gen. Pet.	Do. warr.
Do. A	Select Oils
Gridoil	Superior
Hanna	Vanalta
Highwood-Sarcee	Vulcan

Quadra Reserves Seen Over 5.6 Million Bbl.

In an initial progress report to shareholders, Quadra Leases reports 15 wells successfully completed in the Redwater field including three wells completed on a marginal quarter section.

The 12 main wells, none of which had an initial or flush flow of below 1,600 bbl. daily have current allowable of 98 bbl. per day, president E. H. Tanner points out.





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Bowling is international. Many visitors from across the border join Canadians to bowl on thousands of alleys in Ontario. *Spare* the time to *strike* up friendships with these visitors from the U.S. Wherever you meet them, *score* a welcome that will bring them back. John Labatt Limited.

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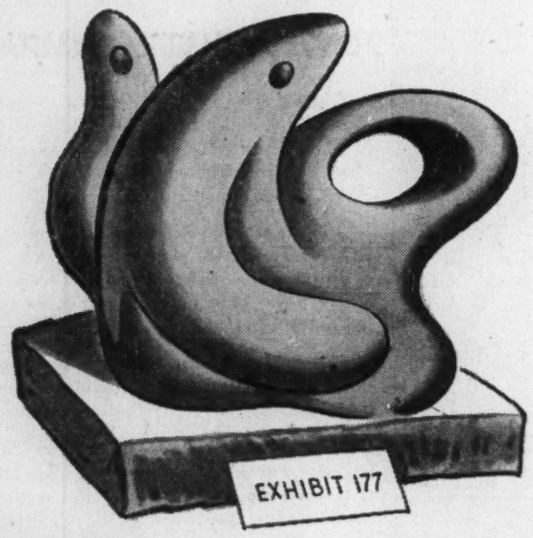

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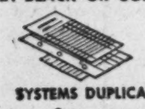

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MINING INVESTMENTS

Steep Rock Record Output May Mean Jump in Profit

A good chance exists that Steep Rock Iron Mines during 1951 may realize far larger profits than experienced in any year to date.

Iron ore production for this season reached the million-ton mark early this week. Last year, when 1,216,000 tons of ore were produced, the million-ton mark was reached a month later than this year.

"It seems pretty certain that we'll set a record this year," President M. S. Fotheringham declared, commenting on this year's operations. Last year's output constituted a high mark in the company's productive operations. The goal for this year was set at 1.3 million tons.

Earnings in 1950 amounted to $2,495,710, 34 cents a share, after writing off $785,000 of depreciation and pre-production expense.

* * *

Van Roi Starts Off

A new silver-lead-zinc producer, Van Roi Consolidated Mines, is getting under way in the Slocan district.

Transcontinental Resources, directing operations, reports that crushing units are turning over with ball mill and flotation circuit about ready to function.

Production of metals, in the form of concentrates, will be started this week, according to word from the west coast.

Development of the third level has been resumed on the southwest ore body and the heading continues to expose high grade ore.

Van Roi is one of the first of about a score of new base metal mines getting into production in British Columbia, which is currently the most active base metal province in Canada as far as number of new projects is concerned.

* * *

Siscoe's Vermiculite

Siscoe Gold Mines, which has just declared an interim dividend of three cents a share, payable Oct. 17 to shareholders of record Oct. 3, isn't yet near the production stage with its own vermiculite a company statement reveals.

"Last December the occurrence of a new Canadian mineral, vermiculite, in the Perth area was reported by the Federal Bureau of Mines. A surface examination of these deposits indicated sufficient ore to justify obtaining options for the mining rights on three farms in order to permit a detailed investigation commencing in the spring of this year. Limited expenditures were made in carrying out a program of trenching, test pitting and sampling and three shallow drill holes were put down. Assays were carried out in the company's Cornwall plant.

"The tonnage of ore proved to date is not yet sufficient to justify the expenditures required for the erection of a processing plant to service the Perth properties. Sales of Vermiculite produced in the company's Cornwall plant from South African raw material are steadily increasing. Siscoe has also acquired a participation in Pyrok (Canada) Ltd. of England. These patents cover the production and application of pyrok, a vermiculite composition which can be sprayed on all types of building materials for fireproofing and insulation purposes. Demonstrations of its application and qualities have been made in Montreal, Toronto and Ottawa during the past month."

* * *

West. Uranium Tungsten

Tungsten will probably prove the largest single source of revenue for Western Uranium Cobalt Mines when production gets under way next month, The Financial Post is informed.

According to plans, tungsten will be the sole product of a 100-ton daily operation at the Red Rose mine. A 200-ton daily capacity plant at the Rocher de Boule mine will produce a tungsten concentrate and a second concentrate containing gold, silver and copper. Revenue from tungsten at Rocher de Boule is expected to exceed that of other minerals. Average values for other metals have been reported at 0.8 oz. gold, 4 oz. silver and 4.1% copper.

Milling results will be relied on to determine average tungsten content although preliminary tests indicate content will be "in excess of commercial range."

Lower level at the Red Rose mine, proving 260 ft. of additional depth on the ore, has cut into what A. L. Clark, consulting engineer describes as excellent ore.

Trans. Resources Shares $200,000 New B. C. Project

Over $200,000 of initial financing, plus further substantial amounts on option, are involved in a deal arranged by Copper Ridge Silver Zinc Mines with a group headed by Transcontinental Resources.

The financing group believes that Copper Ridge's Ruby zone has good possibilties for a sizeable milling operation based on wide, medium-grade copper-zinc ore bodies. Ore also has an appreciable silver content.

Over $200,000 was placed in the treasury as net proceeds on sale of 750,000 shares at 30 cents a share. A further 750,000 shares of stock are under option at 40 cents a share with an additional 650,000 shares remaining in treasury not under option.

The Ruby zone has been opened at depths of 100 and 200 ft. and by a connecting raise. Taking an average width of 17.81 ft., 194,291 tons of ore have been estimated averaging 1.036 oz silver, 0.494% copper and 5.345% zinc. The Lakeview zone 1,100 ft. distant appears somewhat similar. A number of other zones remain to be investigated.

Find Tungsten At Magnet Con.

New 2,600 Level Returns Tungsten and Gold Values For 44 Feet

An interesting gold ore picture — plus an unexpected tungsten content — is being revealed in opening up a new deep level off the winze at Magnet Consolidated Gold Mines, The Financial Post is informed officially.

Extended north at the 2,600-ft. horizon towards a gold drill intersection which showed visible gold, the crosscut encountered a gold-bearing ore structure which extended along the crosscut. The crosscut, and slashes put out at each end, have shown 44 ft. which the management estimated will run possibly 0.3 oz. gold over 8 ft.

The crosscut early this week had been extended about 75 ft. further and was close to the drill intersection which was one of the original objectives.

Tungsten In Stringers

Structure is stated to be extremely lively-looking ground. Tungsten is stated to be scattered in all the quartz stringers across 8 ft. with a considerably greater concentration in a 2-ft. wide quartz vein on the footwall side.

Tungsten also has been discovered in a drill hole 80 ft. above which ran 32 oz. over 2 ft. and in a drill hole to the west which gave 0.12 oz. over 4.6 ft. Tungsten did not show in the drill hole ahead which ran only 0.17 oz. over 4.5 ft. but which showed visible gold not in a hole to the northwest which gave 0.68 oz. over 2.1 ft.

With a drill hole 800 ft. back to the east showing structure and gold values, the company expects development on the new level to be concentrated to the east, away from Bankfield, rather than to the west.

So far it has not been possible to assess the importance of the presence of tungsten with accuracy. An engineer with wide tungsten experience is going into the property and nine samples from the footwall side are being sent out for assay.

MINING CONCENTRATES

BOYMAR GOLD MINES reports McMarmac Red Lake Gold Mines has underwritten 100,000 shares at 10c a share, for which payment has been received, and has optioned 400,000 shares at 10c to 25c. On issue of underwritten shares, issued capital will be 2,353,341 shares, leaving 646,659 in the treasury.

* * *

EAST RIM NICKEL MINES has received payment covering 150,000 shares at 50c a share, comprising part of the August 13 option installment, under an agreement with Minasec Agency. Balance of installment, comprising 150,000 shares at 50c a share, has been converted to an underwriting. Issued capital is 2,250,007 shares, leaving 1,249,993 in the treasury.

* * *

GOLDEN ARROW MINES reports that, subject to ratification of shareholders on Sept. 27, Violamac Mines (B. C.) has underwritten 100,000 shares at 10c a share and will receive options on 350,000 shares. Issue of the underwritten shares will bring issued capital to 3,022,145 shares, leaving 977,855 shares in the treasury.

* * *

HEAD OF THE LAKES IRON has received payment for 42,250 shares at 40c a share, comprising balance of Aug. 31 option under an agreement with Davidson Securities. Issued capital is 1,900,005 shares, leaving 1,599,995 shares in treasury.

Sapphire to List On N. York Curb?

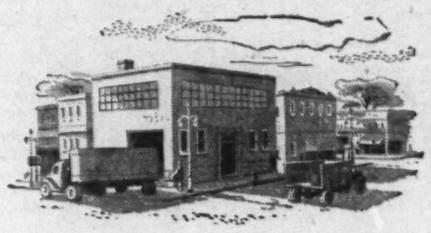
Sapphire Petroleums plans to have its stock registered with the U. S. Security & Exchange Commission and to apply for listing of its shares on the New York Curb Exchange, The Financial Post understands.

Progress continues to be made in negotiation of new deals to both extend the company's participation in western exploration and to extend the established equity in oil production. Sources close to the company express optimism that earnings can be substantially increased by closing of one or more deals now in the negotiation stage.

This week the company reported a 10% participation in Calvan's interest in 18,880 acres in the Pakowki Lake area of Southern Alberta with a well to be started in three weeks' time.

It is understood that simultaneously with listing on the New York Curb Market, the company will likely sell a block of 300,000 or 500,000 shares to New York interests.

Creative banking in action



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* An actual incident taken from our files.

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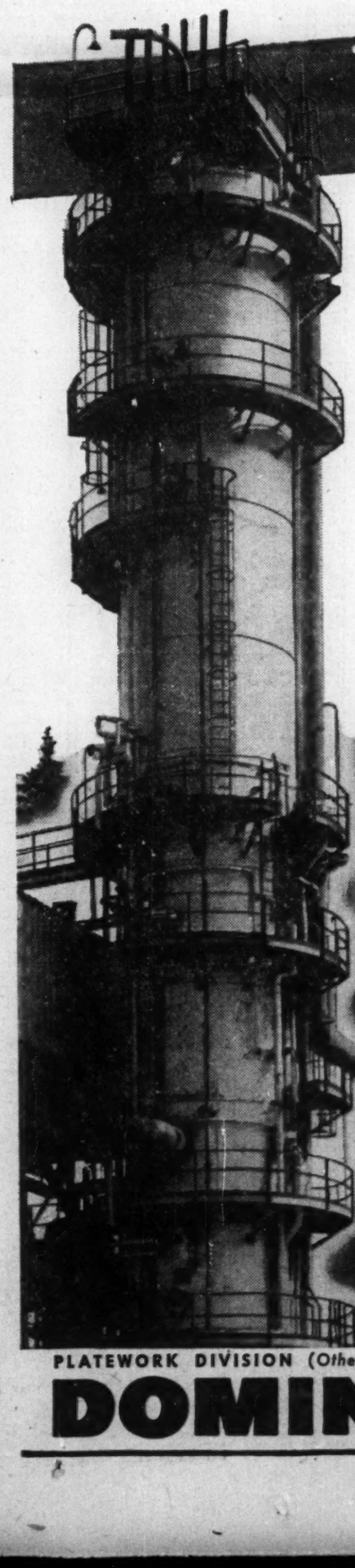
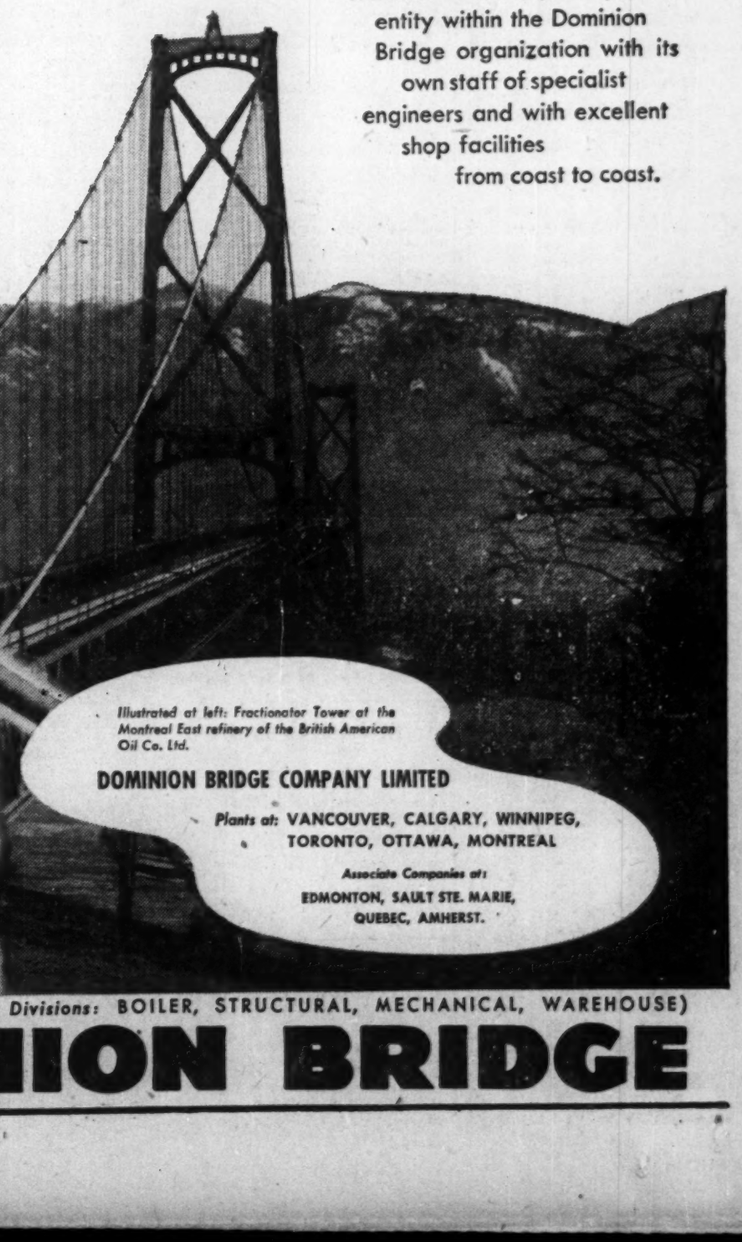


Each of these towers calls for engineering skill and experience of a high order—but as different in type as the towers themselves. We brought them together in this composite picture to emphasize the wide diversification of Dominion Bridge Company activities.

The oil refinery tower forms part of the latest type of "catalyst cracking" unit and has to withstand the most severe operating conditions. It is a product of our *Platework Division*, a separate entity within the Dominion Bridge organization with its own staff of specialist engineers and with excellent shop facilities from coast to coast.



Illustrated at left: Fractionator Tower at the Montreal East refinery of the British American Oil Co. Ltd.

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1 Royal Bank Building, Brandon, Man.

Four Shaft Programs Getting Under Way Chibougamau Seen Real Production Bet

By GORDON M. GRANT

Thanks to "assists" from spiralling metal prices and luck in finding new ore bodies, Chibougamau appears on the verge of paying off handsomely for Province of Quebec's $4 million bet on the St. Felicien road which provided ready access into this new area. area.

In the year which has elapsed since the road was completed, the camp has experienced marked success in development drilling. So marked has this success been that at least four companies—Campbell Chibougamau, Merrill Island, Kayrand and Central Explorers—have made plans for comprehensive underground development. And from present indications, other companies, such as Tache Lake, Jaculet, Quebec Chibougamau Goldfields and Quebec Smelting, may be new shaft candidates.

Other years provided other properties with real mining possibilities which aren't being worked at the moment but which are regarded as possessing possibilities. Among these are Norbeau Mines, which is reported to have 360,000 tons of drill-indicated ore averaging 0.36 oz. gold per ton and Obalski where extensive underground work was completed.

Campbell Chibougamau, which has added impressively to its ore "inheritance" taken over from its predecessor Consolidated Chibougamau is embarking on a broad development program which will also embrace opening up part of the ore occurrences of the adjoining Merrill Island Mining Corp. property.

Sink to 1,000 ft.

A shaft is to be sunk to a depth of 1,000 ft. on the westward part of the Merrill Mining Corp. property, under terms of a verbal agreement, and will be used for development of both properties. Campbell will undertake to erect a concentrator to treat its own ore and any from the Merrill Island northwest ore zone. Thus initial production already appears in prospect for the camp.

Profits from ore taken from the Merrill Island M.C. section will be split on a fifty-fifty basis, Merrill Island retains its south and southeast ore zones, where grade is stated to run 2% copper with widths greater than those in the north zone. The company has about $100,000 cash on hand and plans to go underground on its south zone as soon as an additional $200,000 is on hand.

Sparking the Campbell Chibougamau program is a million tons of ore averaging 3.5% copper and 0.15 oz. gold found by drilling below the waters of Dore Lake last winter.

Merrill Island's northwest zone is credited with 867,000 tons averaging 2.15% copper, 0.036 oz. gold and 0.44 oz. silver to 1,000 ft. depth. About 1.2 million tons of similar or better grade is indicated in other sectors.

Kayrand Gets Ready

Kayrand Mining & Development Co. earlier this month announced an exploratory shaft would be sunk on its Merrill Island property to prove up indicated ore of its main ore zone and depth possibilities. A mining plant is being assembled as quickly as possible. A total of 200,000 tons of ore is stated to have been indicated averaging approximately 2.5% in copper and zinc.

Jaculet Mines has reached the shaft consideration stage but financing will be necessary for underground work. Drilling is stated to have indicated about a million tons of ore with a combined gross value of $9 a ton in gold and silver.

Quebec Chibougamau Goldfields is another company enjoying Merrill Island drill success and contemplating an underground program.

Explorers Secures Mill

An underground program—and possible production—are slated for Chibougamau Explorers which recently purchased the West Malartic Mines plant, mill and equipment for $250,000 cash and a block of Chibougamau Explorers stock. Chibougamau Explorers made a decision to go underground on its property in Dauversiere and Rohault twps. about a month ago, since then has been securing some rather sensational values in its continuing drill program. One hole has returned $37.10 in gold across a width of 36.3 ft. as well as additional gold and copper values.

Tache Lake is still in the relatively early stages of exploration of its property in the Lake Antoinette sector. But results have verged on the sensational side. One hole gave 10 ft. assaying 0.36 oz. gold, 1.86 oz. silver and 10.3% zinc while a hole 100 ft. to the west, on deepening, showed 11 ft. of core averaging 0.53 oz. gold, 2.11 oz. silver, 14.25% zinc and 0.41% lead.

Campbell Chibougamau appears to be setting the pace for Chibougamau development. Thinking in terms of a mill of 1,000 or 2,000 tons daily capacity—to handle ore from both the Campbell and adjoining Merrill Island properties. Such a mill would probably give the kind of costs which would make for an efficient, profitable operation. Granted its first producer, Chibougamau would become "established mining country" and the job of developing other producers would become measurably easier.

Milling Starts At Dorreen Mine

A 90-100 ton daily capacity mill has been placed in operation by Dorreen Mines, a gold-silver-lead-zinc operation located on the C.N.R. 50 miles west of Hazelton B.C.

Following initial tuning in, the mill will be gradually brought up to capacity. Production follows building of a 2,600-ft. aerial tram and establishing of a completely equipped new camp at the mill site. Direct water power will be a factor making for low costs.

Proven and probable ore has been estimated by engineers at 30,000 tons averaging $79.05 per ton. This ore is in a gold-silver-zinc vein in which gold accounts for about half of value. Exploration will start shortly on a base metal vein carrying lead and zinc values with a substantial silver content. Previous work has exposed this vein in two places.

President of the company is Alexander Mackenzie, with Allan McGavin vice-president.

Baska Uranium Starts Diamond Drill Program

A program of diamond drilling has been launched by Baska Uranium Mines which has as its first objective the further investigation of the promising uranium previously discovered on the company's Walberg ground.

Operations will commence in the next two weeks with Nos. 9 and 7 zones coming under investigation.

The present program is limited in scope but it is planned to follow this up with more extensive drilling later when breaks will be investigated which extend from the Eagle shaft of Eldorado into the central part of the Baska ground.

Consideration is also being given to drilling along the St. Louis fault structure.

Reeves MacDonald Sets New Record

A new monthly production record was established during August at Reeves MacDonald Mines with 29,000 tons of ore handled.

Officials report that the company will have entirely repaid the million dollar loan from Pend Oreille Mines & Metals by the end of the current month. This loan was used for building and equipping the Kootenay plant with production facilities.

New equipment enables Reeves MacDonald to maintain one of the lowest cost production records in Canada, if not on the North American continent, with operating costs averaging only $3.21 a ton in the last fiscal year.

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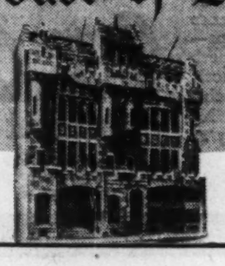

MEN WHO THINK OF TOMORROW PRACTICE MODERATION TODAY

Quebec Copper To Determine Size of Deposit

Quebec Copper Corp., which has five drills working on its copper property near Magog, Quebec, plans to use two of its drills to further delineate the big Huntington copper ore deposit, keeping three drills on exploration.

From present indication, the Huntington ore body appears to be at least 500 ft. long, might average 53 ft. wide. It is planned to do "fill in" drilling between the sections drilled out at 100-ft. intervals in order that tonnage estimates may be developed as a guide to possible mill tonnage.

Officials are not making any predictions on what size of mill may ultimately be required because there is about 3½ miles of favorable break to be tested. But the main Huntington ore body appears to promise a mill unit of a minimum of 500 tons a day and this could be stepped up substantially as work proceeds.

Drilling to the south has served to enlarge the ore picture although the sensational values of hole No. 19 drill hole have not been repeated.

Giant Readies To Extend Ore

The big development program now in progress at Giant Yellowknife Gold Mines has as its objective the making available of more than 1.5 million tons of further ore averaging better than half an ounce gold per ton, Consulting Geologist A. S. Dadson informed shareholders at the annual meeting.

This ore is additional to that already developed above the 575-ft. horizon, he indicated.

To Facilitate Exploration

With this backlog of ore, development of other known ore zones and search for new ore can be carried out in a methodical, progressive manner, without continual pressure to feed the mill, it was pointed out.

Expansion of mill capacity is proceeding well up to schedule and when completed will bring capacity of the mill to 700 tons daily. Only moderate additions will then be required to bring the mill up to 1,000 tons daily but further mine preparation will be required to permit production beyond the rate of 700 tons daily. An improvement in metallurgy is also desired to reduce tailings losses.

Unlisted Mines, Oils

(By the Broker-Dealer's Assoc. of Ontario)

Approximate quotations, 3.00 p.m., Sept. 17, subject to confirmation and change. An asterisk (*) indicates an increase in price, a dagger (†) a decrease in price.

	Bid	Ask		Bid	Ask
Abenakis	2¼	3¼	Mate Yel	4	5
Advance	3	3¼	McCuaig	3	4
Alexander	3	4	McManus	3	5
Ama Kir	3¼	4¼	Metalore	8¼	10
Amax	†97	105	Miles RL	2¼	3¼
Anna'que	3	4	Mindus	*58	62
Arctic	2	4	Mink	1	2
Argonaut	1	2	Mt Kemo	39	42
Ava	—	3	Mohawk P	1¼	2¼
Barber N	2	4	Mistassini	2	4
Bar Man	—	15	Murmac	3	4
Beacon	12	15	Nat New	4	6
Beaulieu	1¼	3	N Rediwd	10	15
Beauriv	1	3	New Aug	4	5¼
Bi Ore	8	10	Newcor	3¼	4¼
Biroco	5¼	7	New Mal	2	3
Blondor	2¼	3¼	N Walcoro	17	20
B McDade	7	9	Nickel L	8	11
Bour C	4¼	6	Nickel O	300	400
Bouzanne	4¼	6	Norbeau	63	68
Braminco	13	17	Norbec	8	11
Bright RL	1¼	2¼	Norcourt	3	4¼
Burley Po	1	3	Norford	1¼	2¼
Camlaren	3¼	5	Normar	2	3
Camray	3	5	Novele P	1	2
Captain	3	5	Obalski O	3	5
Cassidy	1	2	do '45	*24	26
Cent Man	19	21	Oklend	5	7
Cock RL	1	3	Olivet	1	2
Columbier	2	3	Opemiska	†40	45
Comstock	45	47	Orofino	†11	13
Con Chib	15	20	Ortona	5	6
Con Cop	12	15	Parquet	17	22
Conecho	†18	25	Pascalis	9	11
Craibbe	4¼	6	Payne	5	7
Croydon	2	4	Pelangio	2¼	3¼
Cuyuni N	6	9	Phelps	¼	1¼
Derlak	2	3	Presdor	1	2
De Sant	2	3	Privateer	12	15
Doris	2	3	Quejo	4	6
Dunvegan	4¼	6	Quyta	3	5
Durham	4	6	Que SR	12	15
E Lund	5	6	Quest	1¼	3
Echo Ind	2	3	Rainville	†44	47
E Bonanz	7	10	Raind M	8	10
Elmac	3	4	Randona	2	3
Erin Kirk	1¼	2¼	Redruth	2¼	4
Flicka	2	3	Redwood	*3¼	4¼
Forty For	100	125	Rhyolite	3¼	4¼
Gan Cop	5	6	Richgroup	8	9
Glencona	3¼	4¼	Russet	3	5
G'maque	9	14	Salm Co.	35	40
Gldfld U	*105	112	Santiag N	15	17
Goipac	5	10	S Dufault	†3¼	5
Gov Gold	2	4	Sepha	1	1¼
Grd Chib	†280	315	Sheldon	10	12
Greenlee	3¼	4¼	Silv Arro	4	6
Habitant	2	4	Silv Lake	7	9
Halden	1¼	2¼	Skynner	2	4
Harker	3	4	Snow L	1¼	3
Hornfault	8	10	Starlight	1¼	2¼
Independ	*63	64	Sunbear	1¼	2¼
Insco	11	13	Tobico	1	2
Isle Pinn	7	10	Vauz Duf	†14	17
Jerome	16	19	Vinray	—	4
Jonsmith	24	27	Viking	14	16
Kamlac	15	17	West RL	1	2
Ken Bay	4¼	6	Wildore	5¼	6¼
Kenda Pe	3	5	Y David	16	18
Kenogami	2¼	4	Yelknife	310	—
Kirk GG	1	2	do vt	275	—
Lar Add	2¼	4	**OILS**		
LaSalle	†3	4	Crusader	†8	—
Lassie	4	6	Fargo	†41	45
Le Pine	4	6	Franco	*85	90
Lennie	1	2	Jet	*44	48
Lk Expan	3¼	4¼	Lingnora	21	3
Lower Can	1¼	2¼	Major Oil	*6¼	7¼
Lun Echo	13	15	Nw Ranch	3¼	4¼
Mallen RL	4	6	P Oil Ref	35	45
Mar Bird	2	3	Paige P	20	25
Marquette	*2	3	Princess	*145	155
Mary Ann	2¼	3	Vermilion	32	35
Mat Con	*40	43	Westlock	19	21

Quesabe Takes 20% Of Alta. Oil Deal

A 20% interest in a drilling project in southern Alberta on a block of nearly 12,000 acres in a potentially productive oil and gas area has been acquired by Quesabe Mines, the company announces.

Among others interested in the acreage are reported to be Standard Oil Co. of New York (Socony-Vacuum) and Seaboard Oil, through Canadian subsidiaries.

Seismic work has been completed on the ground and the first well will be based on results secured in this work, it is stated.

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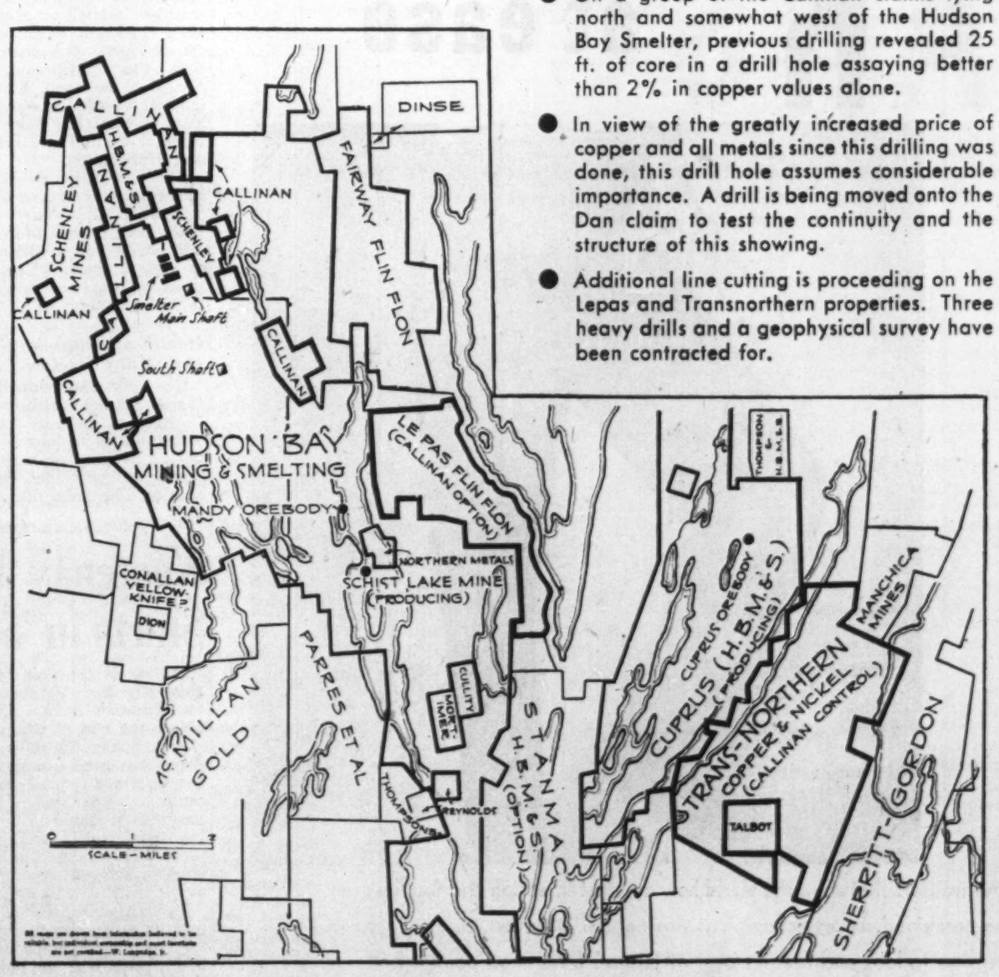
CALLINAN FLIN-FLON MINES LIMITED

A Message To All Shareholders

- An eight page Annual Report has lately been mailed to all registered Callinan shareholders.
- Unregistered shareholders of Callinan are urged to list their names with the Secretary of the Company in order to receive this and subsequent progress reports.
- Late in August your Company purchased control of the Transnorthern Nickel and Copper Mines Ltd. This Company's claims adjoin the Cuprus Mine on the east as shown on the map.
- Coincidentally, a substantial block of Lepas Flin-Flon Mines Ltd. shares was acquired, together with an option on 1,561,250 treasury shares. The Lepas Claims adjoin the main Hudson Bay property on the east. An electro-magnetic survey of a portion of this property disclosed five anomolies which will be drilled.
- On a group of the Callinan claims lying north and somewhat west of the Hudson Bay Smelter, previous drilling revealed 25 ft. of core in a drill hole assaying better than 2% in copper values alone.
- In view of the greatly increased price of copper and all metals since this drilling was done, this drill hole assumes considerable importance. A drill is being moved onto the Dan claim to test the continuity and the structure of this showing.
- Additional line cutting is proceeding on the Lepas and Transnorthern properties. Three heavy drills and a geophysical survey have been contracted for.



CALLINAN FLIN-FLON MINES LIMITED

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LONDON CALLING—*By Adolphi*

Socialist Plight at Worst Churchill Ranks Are Firm

LONDON—In the normal way a government in Britain reaches its peak of unpopularity in the winter. This is particularly true under present conditions when coal and electricity shortages add gloom and despondency to the winter's tale. Conversely, a government achieves its greatest popularity in the summer when the discomforts of life are not so sharp. There is no logic in this, but it just happens to be true.

However, recent Gallup polls show that this summer the magic has not worked. With the man in the street and the woman in the home—especially the woman—the Government is more unpopular than it has ever been. Some of the Socialists say that it is because of the atrocious weather which has made such a mess of the holiday period, but even the weather could not bring the Socialists to their present plight.

Not unnaturally the Tory barometer is rising sharply. For no particular reason the Conservatives lost ground steadily during the spring and the realization of this so infected the party that there were anti-Churchill murmurings and talk about supplanting him with Eden. When that story broke, however, the party closed its ranks and there was no more muttering against the leadership.

If the present survey of public opinion is correct Churchill would have a majority of 40-60 if an election takes place this autumn. Nor is it likely that the situation can be altered now. The Socialist cupboard is bare.

The luckless Labor party will not be helped by today's announcement that except where there are Communist candidates the Communists will support the Socialists. This, in the present mood of the country, is the kiss of death.

In political circles it is believed that when Churchill forms his next government he will make it as broad-beamed as possible. As in the war he may go outside the political ranks altogether for some of his ministers, and almost certainly he would include at least two Liberals chosen from those who have advocated an understanding with the Tories. A more personal problem is the fact that two of Churchill's sons-in-law sit in the Commons and that his son Randolph is an adopted candidate.

Winston can hardly place all three in his administration.

Eden's popularity remains like a gilt-edged security. His North American tour and his television appearance since his return have added to the general esteem in which he is held. He is never brilliant and he is never dull. He is incapable of a purple oratorical passage but he never talks nonsense. One of the wits once said that he was the greatest silent screen statesman of all time but that the talkies ruined him. Probably he is wise not to try and rival Churchill for the speech-making stakes.

* * *

A Weeping Mossadegh Eases Egyptian Affair

The irritating Persian affair seems to be moving against the weeping Mossadegh. The British have secured their oil supply for the rest of the year and can afford to watch the Persians wriggle. But the whole thing has been too drawn out for the Socialists to gain any great credit. It will, however, make it easier for Britain to handle the Egyptians who have been making a nuisance of themselves for a long time.

* * *

War Possibility Felt on Wane

In spite of the disappointment over the failure to achieve a settlement of the Korean war there is a firm belief in London that the threat of a third world war is steadily decreasing. The coalition against Russia and the bases at its disposal are now regarded as too strong for any nation to believe in the possibility of world conquest. The old saying still holds true that guns have a habit of going off and that there are an awful lot of guns in Russia, but an all-out war against the West is unlikely. At least that is the general opinion here.

* * *

Brighter Press Outlook With Cheaper Newsprint?

Newspaper publishers are breathing easier at the prospect of cheaper newsprint. Papers here are ridiculously small and it is hoped that the drop in newsprint will be enough to make larger papers possible. The present situation is bad for the country and bad for the press. Already there is talk of new papers being planned but the newcomers will need a well-filled treasure chest.

The Big Fellows are so firmly entrenched that a newcomer would find the going pretty hard.

* * *

Jailed German Generals Are Problem For Allies

First Japan, then Germany. A provisional pact with Western Germany shows that she too will be given a merciful peace. There is no doubt that the Russian menace has made it essential to bring Japan and Western Germany into the grand alliance and that we could hardly achieve that and collect reparations at the same time. But the Versailles Peace Treaty after the Kaiser's war showed the blunder of imposing punitive terms on a beaten enemy.

Woodrow Wilson and Lloyd George should have learned from history that the generous treatment of France after the defeat of Waterloo paved the way for what was virtually 100 years of peace in Europe if we except the 1870 brawl between France and Prussia.

One of the problems facing the Allies today is what to do with the imprisoned German generals. The Germans have always had a great pride in their army, and they are certain to demand now, as a condition of raising troops for Western European defense, that the imprisoned generals should be released. If it must be done it should be done quickly. That is what the Government at Bonn is urging on London, Paris and Washington.

There is little danger of any immediate resurgence of German militarism. The Allied air forces made such a mess of their towns and cities that it will take years to restore them. In spite of immense efforts to rebuild, Germany is still a country of ruins.

* * *

Health of King Only Tour Shadow

The only shadow upon the coming tour is the health of the King. In spite of his rest from heavy public duties he looks drawn and tired. In the circumstances it seems unlikely that he will be able to undertake the Australian tour.

New Pipe Line Dept. For Imperial Oil

A new operating department has been formed by Imperial Oil Ltd. to be responsible for the company's pipe lines. It will also oversee Imperial's interest where it is part owner of the other pipe lines, as in the Interprovincial Pipe Line Co. Manager of the pipe line department will be F. C. Lantz, till now assistant to the vice-president (transportation).

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LONDON TAILORED

Kootenay Mill Starts in '51

Milling is expected to start at Kootenay Base Metals, sponsored by Transcontinental Resources, before the end of this year.

A road from the railway at Fort Steele has been completed to the property and winterizing of the camp is under way. Mill construction is stated to be proceeding satisfactorily and all equipment will be housed in before the weather becomes severe. Capacity at the plant will be 60 tons daily.

Underground, the lower adit level is to be slashed out to service the main haulage way and a 90-ft. raise will be put up into the ore body which was delineated in previous operations, showing some 18,000 tons assaying 11% lead, 11% zinc, and 4 oz. silver per ton. Geological conditions are reported to be rather similar to those at the Sullivan Mine, 18 miles to the west and the underground program is expected to outline additional reserves.

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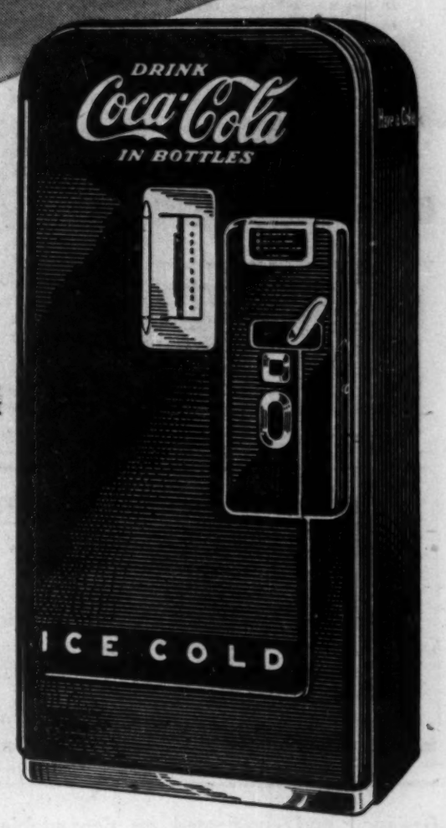

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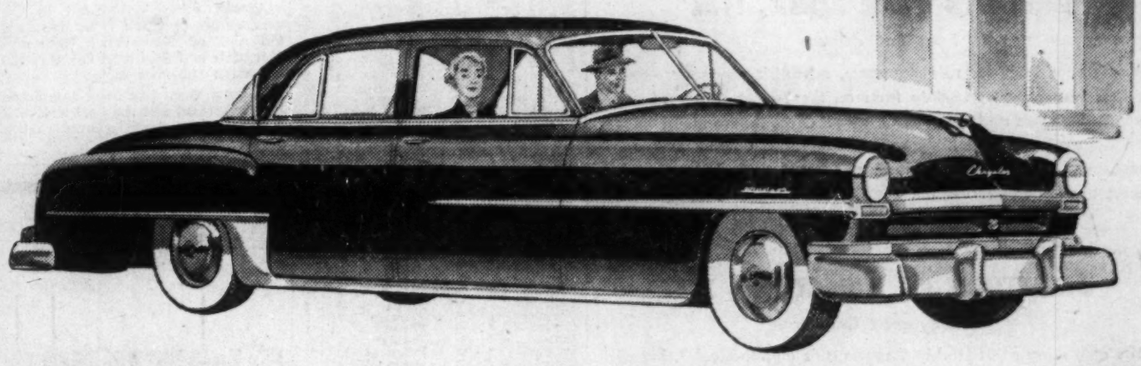

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There's Revolution In Making For Pulp, Paper

How Science Lifts Sights For $1 Billion Industry, Opens New Product Fields

By PAUL DEACON

If research people had more of a huckster complex, and less of the almost painful reticence which characterizes their kind, you would probably be hearing more, much more, about the amazing things that the pulp and paper industry may have in store for us.

But they haven't, and you aren't.

Nevertheless, there is no doubt that many now engaged in scientific studies in pulp and paper are getting pretty excited, inwardly at least, about some of the knowledge they are uncovering.

And some of the possibilities are exciting. On the basis of work being done here in Canada, where the industry is going into research of all kinds with increasing vigor and greatly expanded financial resources, there is even some indication that pulp and paper may take a back seat eventually to some of the by-products the companies may produce from the pulping process.

Industry men will quickly say "We haven't done it yet. Our ideas may prove a flop."

That's true. They may. But the bankrolls are being unfolded with remarkable eagerness to make possible follow-ups on leads given in preliminary experiments.

Take the Pulp and Paper Research Institute of Canada at Montreal, for instance. This organization, backed by the industry, the Federal Government and McGill University, had to get along for years on a small budget, owing in large measure to the uncertain financial position of the industry for long periods. The excellence of the work it was able to do nevertheless has gained world-wide recognition.

Following the war, a group of forward-thinking executives in the industry sparkplugged a move to step up the tempo of fundamental and applied research and the training of scientists for the pulp and paper field. They recognized that an industry which generates at least one out of every ten dollars of the income of all Canadians, and which has been producing at an annual rate of about $1,000 millions, should invest much more money now to provide for its future.

One of the most important results of this new drive for more and better research was the reorganization beginning in January, 1950, of the Pulp and Paper Research Institute. It now became an independent corporation under federal charter, guided in its board of directors by representatives of the same three founding groups. Its administrative setup was changed, its staff increased, its activities broadened. And it was provided with more cash.

Its main aims: training of researchers in pulp and paper, carrying on of fundamental and applied research, and expansion of specialized library and information services to the pulp and paper industry.

Growth of Contract Work

Probably the biggest feature of the change so far has been the rapid growth of contract work. The Institute offers itself as a medium through which the companies in the industry or in allied industry can extend their own research organizations. If a company wants to follow a certain line of study, either in collaboration with other companies or on its own, it can commission the Institute to carry on the work on a cost basis, but without a profit.

A very small amount of this sort of work was done before. But all the Institute's research otherwise has had to be done with funds the Federal Government and the Canadian Pulp and Paper Association had provided through annual grants. This placed an effective limit on the scope, size and nature of the program which could be undertaken.

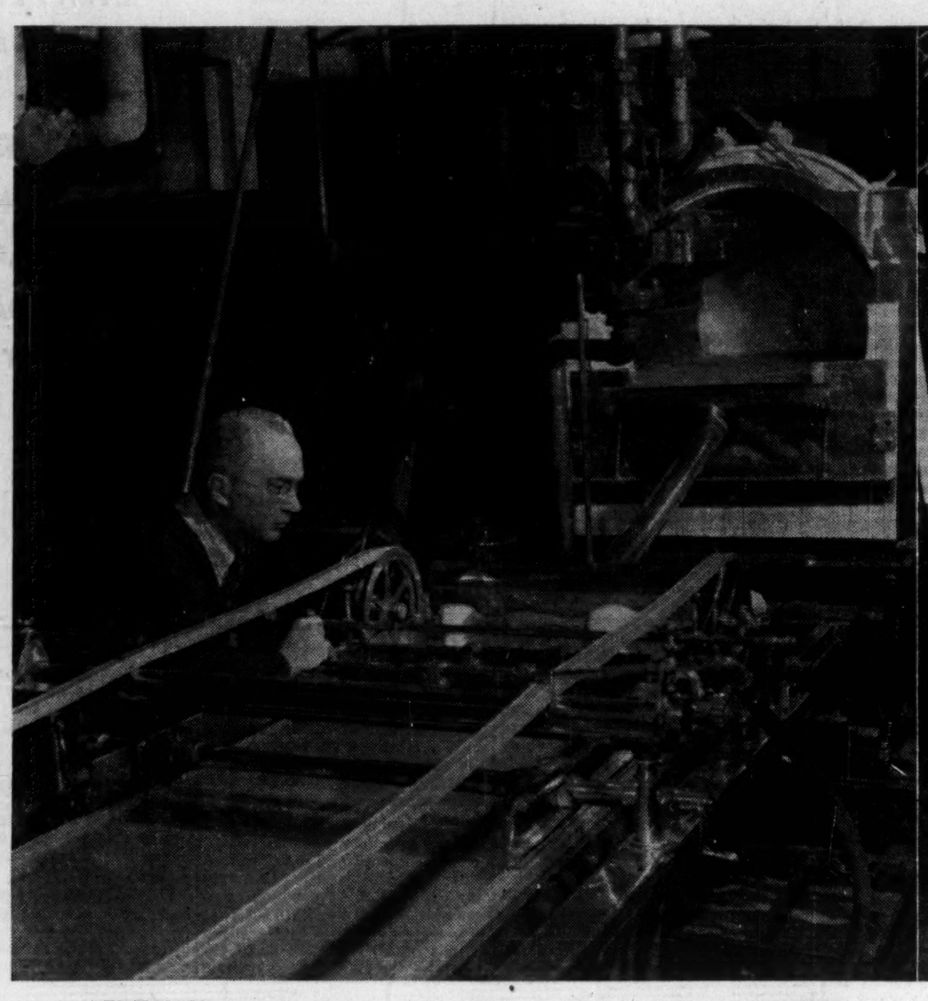
Now things are set up so that those who are most interested in a certain line of research by the Institute pay the cost of the work. They pay for value received, thus pushing the Institute out of the charity category into which, in the minds of some, it had been relegated. Especially for those too small to have any extensive research setup of their own, this means that the mills can draw on the knowledge of top-flight scientists from many fields. The connection with McGill University is particularly helpful here.

The response to this new setup has been amazing. When the changeover occurred, it was thought that there might be perhaps $100,000-$200,000 a year at first in contract work, to supplement the annual grant of $100,000 from Ottawa, $100,000 from the CPPA and an additional annual reorganization subscription for a five-year period of close to $100,000 from most of the companies in the industry. (The grants themselves are considerably higher than they used to be.)

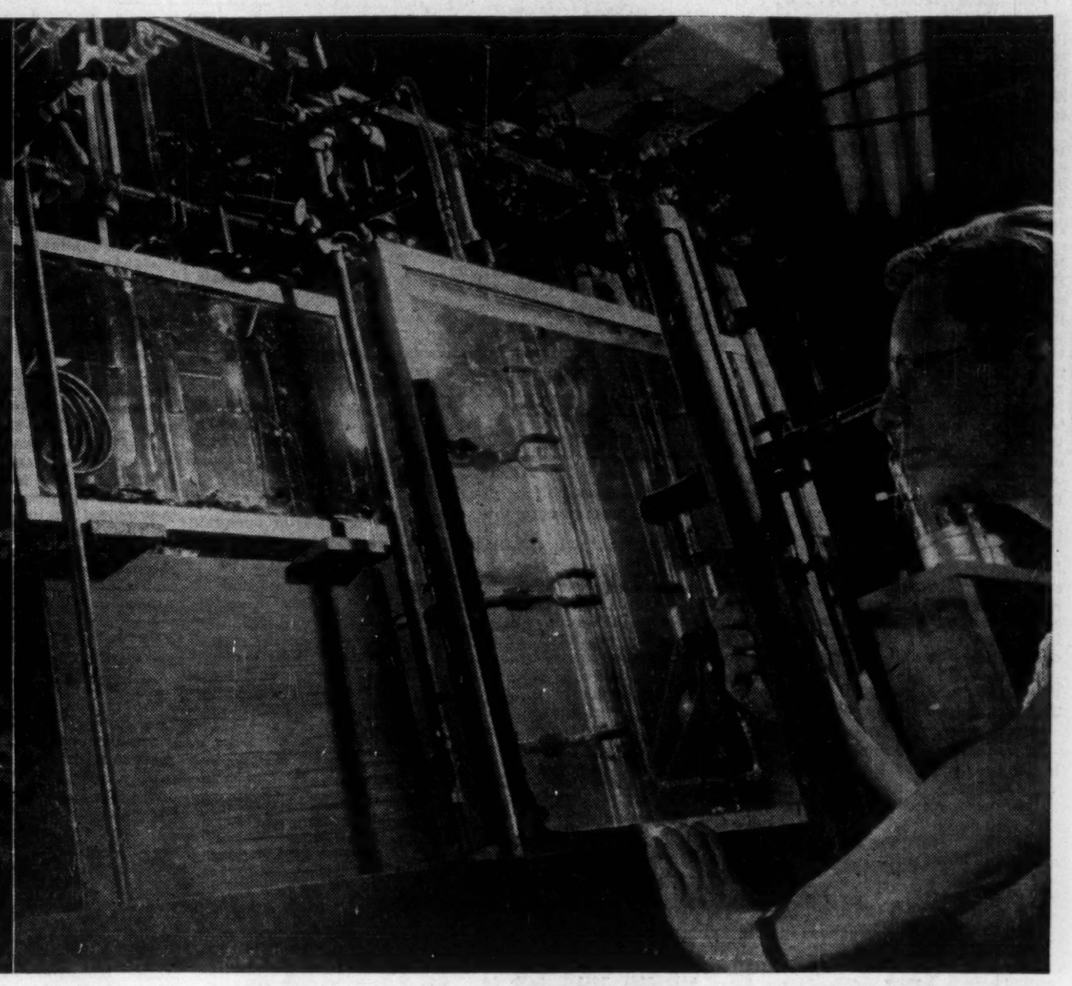
By August this year, just 12 months after the reorganized Institute took over, the contractual commitments on projects sponsored by individual companies, and groups of companies, totaled almost $700,000.

And the total shows every sign of growing: One company contracted with the Institute for a small exploratory project costing less than $2,000. It was so pleased with the results of the work done, it has told the Institute to plan further work along those same lines, with the likely eventual cost in the $30,000-$50,000 range.

Another firm was so enthusiastic about some work done that even before the experiments were completed, it began preliminary planning to put the improvements into effect on a mill scale.



W. H. de Montmorency, manager of the miniature mill of the Pulp and Paper Research Institute of Canada, examines the wet end of paper machine, where liquid pulp is running along screen, ridding itself of water. Pulp is 99% water at this end of the machine, solid paper at the other. Machine is 1/10th width of big newsprint machine.



Bill Archer, a McGill postgraduate student in physical chemistry. His project is this peculiar looking apparatus consisting of many weird tubes, "aquariums," and coils. It took him a year to design and build and he did his own glass blowing. The object of his attention is a small piece of Cellophane, invisible here, with which he is attempting to measure the permeability of this C-I-L product to water vapors.

What sort of research do the contracts call for?

A couple of the current projects involving the most money, and perhaps the biggest prospective gains, stem from the current sulphur shortage. When, last winter, sulphur supplies showed signs of waning due to the heavy world demand, the industry set up a committee to look into all possible ways of cutting down the amount used, as well as ways in which new sulphur sources could be developed.

The committee found the problem could be attacked from many angles, including such things as covered storage for the sulphur (it used to be kept in a pile in the open air, and it's claimed lots just blew away with the wind), installation of roasters for treatment of iron pyrites to produce sulphur dioxide, and so on.

The Institute suggested a couple of ways in which it might help: (1) through study of ways to recover sulphur from waste sulphite liquor, (2) through study of the sulphite cooking process to increase the amount of sulphite pulp obtained per cord of wood and per ton of sulphur.

In the case of the first line of study, 27 companies, representing 94% of the sulphite tonnage produced in this country, have agreed to underwrite the exploratory cost of experiments to recover sulphur from the sulphite liquor—a waste product left over in large quantities in sulphite manufacture, and a headache to the industry all over the world.

Lab results on this project, the technical details of which are still confidential to the sponsors, have been exceedingly promising, and if they can be translated into feasible application on a mill scale (experiments will be at small pilot plant stage this fall and may go to semi-commercial scale in the spring), the payoff could be enormous.

Yet the initial outlay to date for this combined exploratory effort hasn't been much more than $25,000. If the work is successful, and it grows to the mill stage, it will involve much more.

And if it works on the mill scale? (a) Through re-use of sulphur now being lost in the waste liquor, the needs of an individual mill for sulphur might be cut by as much as 20-30%. (b) By-products which could mean millions of dollars in additional income might become available to sulphite producers.

Intensive fundamental studies of the sulphite cooking process have also been started. Nineteen companies which produce 70% of Canadian sulphite tonnage are in on the project so far. Up to $225,000 will be spent over a two-year period on this work. Here again, initial work has yielded encouraging results, officials admit, but they quickly add there is a big difference between lab success and results in the actual mill production process.

Nevertheless, any progress made in obtaining a higher yield would cut down both the amount of sulphur and the amount of wood required per ton of pulp. This means we could get still more pulp out of available sulphur and pulpwood supplies.

Two other large projects now being undertaken involve quite different aspects of the pulp and paper business, yet their impact could also be great.

One, backed so far by 15 companies which consume roughly half the pulpwood cut in Canada, is a co-operative study of pulpwood holding grounds. The problem: how to hang on to the wood you've got, guard it against freshets and floods, until its turn comes to go up the jackladder into the mill woodroom.

The extent of pulpwood loss might not be too apparent to the layman. But some mills have lost large sums—as much as $1,000,000—through the antics of the rivers down which the wood is floated. The mills have a huge investment in wood, and when a holding ground lets go due to a spring freshet, their dollars are strewn all over the countryside in short order. It may not happen often, but even one such experience can leave a big hole in the bank account.

That's why these 15 (and perhaps more) companies are willing to put $165,000 into a three-year study of how to develop the most reliable holding grounds for pulpwood. Through use of scale models and in field studies, they are going into the whole geometry of these structures, with the aid of hydraulics and physics experts. When they are through they will know such things as the effect of elliptical piers as contrasted with square, triangular or other shapes; what the stresses and strains are, and what the arrangement and construction of the various parts should be to really hold under extreme conditions.

To show the sort of thing that happens just in normal weather and water conditions, there's a small island at the mouth of one of New Brunswick's bigger rivers which recently changed hands at an unusually large figure for land in that area. The reason, according to the local residents, is that each spring and summer the banks of the island are strewn with valuable pulpwood. With very little effort and expense the owner gathers up the wood, tows it over to the nearby mill which is only too glad to pay about $12 a cord—for wood it had cut itself but which escaped from its holding ground.

Kraft Industry's Problem

There is another problem which 13 kraft pulp producers have commissioned the Research Institute to tackle. Again, it's one avenue of study whose importance might not strike the layman.

These companies have put up more than $170,000 for a two-year exploratory investigation into the cause or causes of the corrosion of all kinds of equipment used in the alkaline pulping process. It's a world-wide problem and the Canadian studies are being conducted in collaboration with other countries, including the United States, Sweden and Australia.

Why is this considered serious? The corrosion occurs in digesters, evaporators, pipe lines and other essential equipment. A digester alone costs in the neighborhood of $15,000-$20,000. Annual cost of this type of corrosion in Canada is estimated at $250,000.

No one yet knows just why the corrosion occurs. Some claim it is due to poor quality steel; they say there wasn't nearly as much trouble prewar. But against this, researchers point out, production has been stepped up and processes altered in the interval, so it could just as easily be due to something entirely different.

One U. S. company is putting in 27 new digesters, using a whole variety of different metals, alloys, linings and construction methods, because it feels there is no way of deciding, on the basis of present knowledge, which type will have the longer life. That's $500,000 or more it is having to spend with little idea of how soon again it will have to interrupt production and make a similar investment.

In the preliminary work on this project the Research Institute has drawn in Isotope Products Ltd. of Oakville, Ont., to develop an instrument which will measure more accurately, more completely and faster than existing equipment the thickness of the digester walls and thereby the rapidity of the deterioration. This was given its first trial at a mill the middle of August, and shows considerable promise.

The instrument is expected to provide researchers with more detailed data and thus give them a better idea of the problem they're up against. The instrument, incidentally, is expected to have wide application in other branches of industry.

This is another way in which the Institute has led the way in showing industry how it might take advantage of the new atomic tools provided by Canada's Chalk River atom plant. A year ago, the Institute demonstrated the use of radioactively tagged fibres for research in a high-speed newsprint operation (Quebec North Shore Paper Co.) without interrupting production.

In addition, under a grant from the National Research Council, the Institute is seeking other ways in which radioactive gadgets can be developed and used for pulp and paper problems.

Companies Own Research

These are just some of the research projects which are being tackled by industry's central research organization. Many other groups, including the research labs of the pulp and paper companies themselves, are doing important work.

For instance, International Paper Co.'s research subsidiary at Hawkesbury is known the world over for its developments in the pulp and paper field, particularly in connection with dissolving pulp—the highly purified bleached sulphite pulp used in making such things as rayon, Cellophane and so on.

Howard Smith Paper Mills' Dr. George M. Tomlinson has done work in various lines which has brought wide recognition. This company has pioneered not only in development of new processes but also new products which are adding to the wealth produced by pulp and paper manufacture.

Consolidated Paper Corp. is doing interesting work in connection with newsprint manufacture, aimed at reducing the amount of sulphite required in the pulp mix.

The list is long, and it's growing longer. And one of the things that is increasing the value of this wider research by individual companies is their increasing willingness to share their findings with others, so that the pace of general progress can be speeded. This in itself is a revolutionary development for the day is not long past when company research projects and the knowledge that resulted were guarded as zealously as the atomic bomb.

That doesn't mean that companies are stripping themselves of all competitive advantages gained by painstaking and expensive research effort. But they're passing along more and more of what they've learned so that others won't have to cover the same ground all over again. In this way, too, they stand to gain from the work others can do simultaneously in other fields.

The reorganized and revitalized Pulp and Paper Research Institute is one outgrowth of this new spirit.

Where will it all lead? Past growth of the industry is a good indication of what has already been done in the way of increasing the wealth produced from our forests.

In 1910, only 38.8% of pulpwood cut in Canada was used within our own borders. The percentage now is over 85%. The number of cords cut in a year has jumped in the interval from 1.5 million to about 13 million. Although no figures for gross value of pulp and paper production are available for the early periods, it has jumped from $243 millions in 1929 to an expected $1,000 millions or better for this year.

The 1929 pulpwood production was almost exactly half what last year's output will be, yet the gross value of the industry's production was only about one eighth as great. The improvement is to some extent due to the increase in prices in the interval, but most of it stems from the much greater extent to which the wood is being processed within this country, and the greater variety of products being made.

We are making more pulp, both mechanical and chemical. Some of this is sold—chemical pulp particularly is becoming a big item—and a lot more is going into manufacture of paper and paper products.

In the early 'thirties, newsprint represented about 66% of total pulp and paper tonnage, other papers 12%-13% and market pulps about 21%. Now newsprint accounts for less than 58% with other papers 17% and market pulps 25%.

How Much Bigger?

This diversification has placed the industry on a sounder basis. And the trend is continuing.

How much bigger can we get? That depends on the ability of our forests to supply wood, and on the growth of world markets for our pulp and paper products.

Most authorities will agree we haven't begun to get what we could out of our forests. Wiping out fire and disease alone would provide enough wood to double pulp and paper production. Better forest management to improve rate of growth, more efficient harvesting, more complete use of the wood cut (for example, wider use of waste from sawmill operations), are just some of the other ways production could be expanded without depleting our long-term resources.

As for markets, it has been estimated that on the basis of recent pulp use in the U. S., if the prewar division of world pulp supplies were restored, it would require more than 15 million tons a year of additional pulp supply. We're currently producing something more than eight million tons annually for all purposes. And that 15 million tons doesn't take into account the increases in pulp and paper usage arising from increases in literacy and standards of living in many of the backward, densely populated countries of the world.

There's also the big range of byproducts that may some day be developed, perhaps sooner than we know.

It makes a challenging goal for research people, and the whole industry, to shoot for.

The best indication of the growth taking place in Canada's pulp and paper industry is given by estimates of expansion in wood pulp productive capacity. Wood pulp provides the basic raw material for almost all paper products.

The accompanying table gives an idea of what is expected in the way of expansion in woodpulp and newsprint capacity this year and in 1952.

Some of the increased production will be sold on the open market; much of it, however, will be used to boost output of newsprint, fine papers, specialty papers, paperboard, and many other paper products. (Normally about 18% of pulp production is for market.)

The figures on newsprint expansion (main paper products) are estimates based on performance so far this year. In recent months, the newsprint industry has been working at over 103% of its rated capacity at the end of 1950; this indicates an expansion in capacity this year of about 160,999 tons annually.

In 1952, the new Elk Falls mill in British Columbia (the only new mill now building) is scheduled to come into production, with an annual capacity of 75,000 tons.

Assuming this be in operation for only part of the year, and that normal speed-up of existing newsprint machines will continue as it has in past years, the estimate of 1952's increase in capacity has been put at the 1951 figure.

Expansion In Wood Pulp Capacity

(In thousands of short tons)

	Normal Max. Capacity 1950	Annual as of Jan., 1951	Increase Effective 1951	Annual as of Jan., 1952	Prop. Increase Effective 1952	Annual as of Jan., 1953
Chemical	3,654	3,798	193	3,991	95	4,087
Mechanical	5,411	5,528	102	5,629	129	5,758
All Wood Pulp	9,065	9,326	294	9,620	224	9,844
Newsprint	5,199	5,360	160	5,520	160	5,680

How Industry Has Grown

Here's the growth of the pulp and paper industry over the last 80 years:

	Pulp and Paper Mills	Total Employees	Total Production
1871	21	760	$ 1,071,651
1881	41	1,588	2,509,993
1891	58	2,817	3,633,257
1901	53	6,236	8,627,557
1911	72	9,766	23,226,479
1921	100	24,619	151,003,165
1931	103	26,669	174,733,954
1941	106	37,154	334,726,175
1945	109	39,996	398,804,515
1946	113	44,967	527,814,916
1947	115	49,946	706,971,628
1948	117	51,924	825,857,664
1949	123	52,050	836,107,697
1950 (est.)	128	53,500	950,000,000
1951 (est.)	132	54,000	1,050,000,000

Price, Profit Outlook for Pulp, Paper Stocks

Higher Costs, Taxes, to Cut Into Profits

By JAMES H. JOYCE

Demands for all pulp and paper products this year continue to push output to the limit, so that Canada's pulp and paper companies will probably report record production levels and sales for 1951.

But these records will not necessarily be reflected in net profits. The continuing increase in costs plus the impact of the higher corporation income tax rates are cutting into profit margins.

The extent to which the net profits are being affected varies and consequently no general statement as to profit possibilities of the industry for 1951 would present a good picture.

For the group as a whole, the net profit is expected to be up from its 1950 level. However, the actual percentage increase in net profits for individual companies will depend to a great extent on the proportion that each company's sales of products other than newsprint bear to total sales. The largest gains are likely to be shown by those companies with the largest proportion of sales of other products. It was in the other pulps that most of the companies took a licking in 1949.

Profits of the pulp and paper companies for the first half of 1951 are higher than for the same 1950 period on the basis of the announced results of 10 companies issuing interim statements. The combined total net profit for the first six months of 1951 for the 10 companies shown in the accompanying table is 11.1% higher than for the same 1950 period. Three of the companies, however,

Behind the improvement

What are the reasons for the better results so far this year?

(1) Demand for all pulp and paper products continues to exceed supplies.

(2) Production was higher for showed a lower net.

Results For Ten Companies, 1950 and First Half 1951

Company	Total Net Profit For all 1950 $	Net Profit For 1st 6 mos. 1950 $	Net Profit For 1st 6 mos. 1951 $	1st Half 1951 Net To all 1950 %	1st Half 1951 Net To Half 1950 %	Class of Stock	Earned per Share: All 1950 $	1st Half 1950 $	1st Half 1951 $	Twice '51 Half† $	Recent Price per Share $	—Recent Price— Times All 1950	—Recent Price— Prospective 1951
Abitibi P. & P.	12,623,833	6,065,138	5,441,158	43.1	—10.3	Com.	2.97	1.38	1.25	2.50	19⅞	6.69	7.95
Bathurst P. & P.	2,613,229	1,034,321	1,518,313	58.1	+46.8	Class A	6.53*	2.59	3.80	7.60	54½	8.35	7.17
Consolidated Paper	12,133,660	5,579,344	5,789,116	47.7	+ 3.8	Com.	4.73	2.17	2.25	4.50	39¾	8.40	8.83
Donohue Bros.	825,805	433,132	428,160	51.8	— 1.1	Com.	5.51	2.89	2.85	5.70	41¼	7.49	7.24
Fraser Cos.	4,474,633	1,687,089	3,067,844	68.6	+81.8	Com.	5.71	2.11	4.06	8.12	61¾	10.81	7.60
Great Lakes Paper	2,770,781	1,151,722	1,318,810	65.6	+37.9	Com.	2.02	0.81	1.24	2.48	18	8.91	7.26
Powell River Co.	9,206,417	4,065,725	4,245,914	46.1	+ 4.4	Com.	6.85	3.02	3.16	6.32	89	12.99	14.08
St. Lawrence Paper Mills.	5,013,811	1,803,825	1,160,500	23.1	—35.7	....	...	...	...	...	...	...	...
Lake St. John P. & P.	2,199,570	988,628	1,287,076	58.5	+30.2	....	...	...	...	...	...	...	...
Brompton P. & P.	2,444,563	915,090	1,607,692	65.8	+75.7	....	...	...	...	...	...	...	...

* Before participation.
† This result will not necessarily follow.

some companies as a result of completion of plant modernization, speed up and/or expansion programs. Production of newsprint by Canadian mills for the first seven months of 1951 was up 5.6% from the comparable 1950 figure.

(3) Pulps (other than newsprint) were selling at higher prices than in the same 1950 period. Newsprint producers have benefited by a $6 a ton price increase which became effective Nov. 1, 1950.

Counteracting these favorable factors and so checking the rise in net profits were the following factors:

(1) Costs continued to rise.

(2) The premium on U. S. funds was substantially less than the 10% premium which prevailed in the similar 1950 period.

(3) Taxes were higher.

The Outlook

What are the prospects for the future?

On the favorable side there are:

(1) The likelihood that demand for all pulp and paper products will continue to exceed supplies in the foreseeable future.

(2) The price of newsprint at New York was increased by $10 a ton effective July 1, 1951, to bring it to $116 a ton New York and to $112 a ton in Canada. Pulp prices are also better than at this time last year.

(3) Production may be higher as compared with 1950. In the newsprint field the rate of production may be eased off if the trend to higher inventories in the United States continues to a point where it affects demand. So far, however, this condition has apparently not affected demand and shows little signs of doing so.

Affecting the net profit adversely will be:

(1) The reduced premium on U. S. funds. (Although the 10% official premium rate was abandoned Oct. 2, 1951, earnings would not be affected immediately due to forward sales of U. S. funds).

(2) A further rise in costs. The new labor contracts signed this summer will mean a substantial rise in cost. In Eastern Canada it is estimated that the increased wage rates will add at least $2 a ton to cost. Further, in Ontario the government has practically doubled stumpage rates.

(3) Higher taxes as compared with last year.

(4) Any reduction in supplies of sulphur or else an adequate supply to keep up production at capacity rate.

Over a longer term—and its effect is being noticed in certain areas even now—there is another factor worrying company executives. The chief executive of one of the leading pulp and paper companies summed it up in this question: "Will there be enough labor to meet the constantly expanded demand for labor in our economy?" Already the effect of Aluminum Co. of Canada's big development in British Columbia and the Labrador iron ore development in Quebec are being noticed in the labor market. Particularly hard hit is likely to be the woods labor force.

What the result of this will be is not yet clear. Immediately the competition could mean still higher labor costs and so higher wood costs and perhaps a cut in wood supply. Over a longer term it could force companies to try out more and more mechanization of their woods operations—a factor which, in turn would require a higher capital investment.

In The Years Ahead

The long term outlook for newsprint demand appears good.

Increased newspaper circulation (up 17% for U. S. dailies and up 22.4% for the U. S. weeklies from 1944 to 1950) as population and literacy increases, together with expanded newspaper advertising and a trend to a higher number of pages to be printed argues well for long term demand growth prospects in the newsprint field.

Newsprint advertising linage in the United States increased 6% in 1950 over 1949 despite the introduction of television and an increase in magazine advertising and a drop in radio advertising. Advertising linage in U. S. newspapers for the first six months of 1951 was 2.1% higher than the corresponding 1950 period.

Price Action of Stocks

Appreciation of the stronger demand and better price situation affecting pulp and paper companies in the past year together with a better appreciation of the improved financial position of all the companies has been strikingly reflected in the price action of their securities. This is well illustrated by a comparison of current prices with the price range for 1950 for the nine companies shown in the accompanying price trend table.

The pattern of prices of pulp and paper companies' stocks has in the past moved in a wider pendulum than the industrial averages and is likely to continue to do so in the future. However, in view of the strong financial position—both in respect to working capital and capital structure—of the industry and in view of the diversification of production of some companies, pulp and paper company stocks are likely to have a wider public acceptance than heretofore.

Pulp and paper securities, as measured by the Dominion Bureau of Statistics indices, are 116.5% above their 1946 high prices, while stocks generally are up only 41.8%. In other words, an investor in pulp and paper stocks would, on the average, show nearly three times as big a percentagewise rise in market price as one holding stocks generally. Since the first of this year even, pulp and paper securities' prices have shown a better record than that of prices generally, DBS index being up 25% for the pulp and papers as against 19.2% for all stocks.

Price-Times-Earnings

As a result of the better public acceptance, pulp and paper securities at current prices are selling at a higher price-times-earnings-ratio than in the past several years.

However, they are still not selling at high ratios. Many are still selling at under 10 times prospective 1951 earnings (based on twice first half results, an assumption which is not purely valid). This may be seen from the accompanying table which shows that, out of seven stocks for which the ratio is calculated, six are selling around seven to eight times earnings. Only one, Powell River Co., is selling over 10 times earnings—its earnings ratio being 14.08 times prospective 1951 earnings.

The net profit of pulp and paper companies rose steadily from 1943 to 1948, dropped slightly in 1949 due to a slump in the market for pulp and was sharply higher again in 1950 to set a new record. This year the current outlook would indicate that the net for the industry as a whole will likely be a little above last year's net, despite rising costs and higher income taxes. Results for the individual companies, however, will vary widely.

The extent to which the profits of the pulp and paper companies have improved from the prewar years has been well illustrated by a study of profits statistics published in the Statistical Summary of the Bank of Canada. Net income available for stockholders of 20 pulp and paper companies was $80.2 millions in 1950, up 40.5% from their 1949 net of $57.1 millions, and up 22.5% from their 1948 net of $65.5 millions, their previous record. The 1950 net for these 20 companies was 6½ times their 1945 net of $12.3 millions and over 23½ times their 1939 net of $3.4 millions.

Stronger Financial Position

The pulp and paper companies have greatly improved their financial position since prewar and most are in a fairly strong financial and plant position.

Another Bank of Canada study indicates that the working capital of 23 pulp and paper products companies at the end of 1949 was over 3.4 times as large as at the end of 1939 ($231.6 millions against $67.9 millions) after a substantial investment ($219 millions) in plant, property and equipment in the period, over 79% of which occurred in the last five years. Further, the financial condition of the industry was considerably improved again in 1950. According to a study by The Financial Post of 26 pulp and paper companies, net working capital increased a further 9.5% during 1950 while net worth of the companies improved 10.6% in the year.

Further the 23 companies in the Bank's study reduced their debt outstanding nearly 40% as between the end of 1939 and the end of 1949 (from $224.6 millions to $135.5 millions). The debt is now at its lowest level for many years. Preferred stocks outstanding have been reduced by 13.7% between 1939 and 1949 (from $87.5 millions to $75.5 millions). The reduction in debt, together with refundings at lower rates, has reduced the companies' fixed interest requirements nearly 47% in the same period.

Prosperity of the Canadian pulp and paper industry is closely tied to the business trend in the United States which is the principal market for its product. For example, out of the 5,310,633 tons of newsprint shipped by Canadian mills in 1950, 4,748,228 or 89.4% went to the United States while 88% of shipments for the first seven months of this year have gone to United States.

U. S. demand for newsprint has surprised even U. S. consumers. Even though U. S. consumers' stocks have been increasing in the last couple of months, indications are that the U. S. economy will continue to boom as defense expenditures increase later this year and next year.

Historically the pulp and paper industry has been regarded as a "prosperity" industry. However, the fact that the companies are in a much stronger financial position and that the common stocks, at current prices, are valuing current earnings on a fairly conservative basis are strong points for investors in these securities. With the financial improvement which the industry has achieved since prewar, the common shareholders' equity in total capitalization has increased to a point where leverage has been gradually and rather substantially reduced. Whether these factors will mean a more stable market action for pulp and paper securities remains to be seen.

PULP AND PAPER SECURITIES' TRENDS

Extent of market fluctuations in pulp and paper securities is indicated by the following table:

	1951 Sept. 7 $	1950 H. $	1950 L. $	1949 H. $	1949 L. $	1947 H. $	1947 L. $	1946 H. $	1946 L. $	1942 H. $	1942 L. $	1939 H. $	1939 L. $	1937 High $
Abitibi com.	19⅞*	45½	21⅛	23⅝	9¾	21⅜	14¼	22¾	14	..	..	..	..	..
Bathurst A	54½	42½	24⅝	26¼	17½	22¾	19	24¾	18	14½	10⅜	15½	4¾	24
Con. Pap. com.	39¾	34	17⅞	20⅝	13½	21⅝	14½	23¼	15½	3⅜	1½	9⅛	2⅝	24½
Donnacona	32¾	30	15⅞	21	13½	27	14¾	24	15	5	2	10⅞	2	19½
Fraser Cos.	61¾*	40¼*	24½*	28¼*	17½*	58½†	42†	75†	43†	13†	7†	22†	5†	50†
Howard Smith	106	70¾	34¾	37¼	27	32	23	33	26	14	8	22¼	8½	34½
Powell River	89	64¾	42½	42⅜	33½	44¾	33⅝	36¾	28	..	..	..	..	..
Price Bros.	33*	29¼*	25*	67	45½	70	50⅝	73½	45	11	6	24	6½	48½
Minn. & Ont.	31¼	26½	17½	22¼	12¼	24¾	15⅜	27¼	16	..	..	..	..	..

*New stock, after split.
†Old stock, before split.
N.B.—Fraser Cos. stock split 2-for-1 at end of 1948.
Abitibi P. & P. stock split 3-for-1 in 1951.
Price Bros. stock split 4-for-1 late in 1950.

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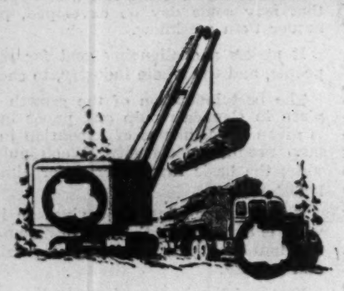

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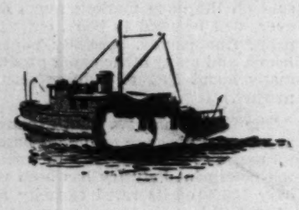

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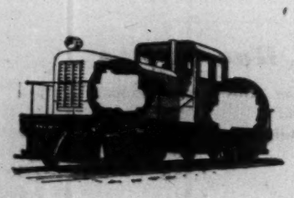

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Pulp and Paper Giants Take New Strides on West Coast

New Plants and Expansions Result from Several Mergers

Growth of the pulp and paper industry in British Columbia continues to be one of the most spectacular phenomena in the West's economic development.

From a standing start immediately after World War II, this industry has shown tremendous vitality during the past few years and at this writing is still gaining in momentum.

Yet this expansion is actually one of the most logical manifestations because it has been stimulated and expedited by a combination of potent natural causes.

British Columbia possesses in abundance all the essentials — wood, water power, tidewater location, access to markets by comparatively low-cost transportation routes, labor supply and industrial know-how. And, finally, British Columbia has lately become spotlighted in the eyes of big, progressive corporations in Eastern Canada and the United States and the United Kingdom as a land of promise and achievement.

This last fact has been emphasized by these events of the past few months:

—the plans of Celanese Corp. of America to continue its expansion in this part of the world;

—the current survey being made by Aluminum Co. of Canada in partnership with Powell River Co., designed to explore the possibilities of establishing another big pulp and paper mill in the Kitimat area, where surplus power on a vast scale will be available when the present aluminum project gets fully under way;

—the entrance of Abitibi Power & Paper Co. into British Columbia activity through its alliance with Alaska Pine Co.;

—the joint effort of Pacific Mills Ltd., Canadian subsidiary of Crown Zellerbach Corp., and Canadian Western Lumber Co. in the building of a newsprint mill on Vancouver Island, and so on.

Watch Forest Resources

Expansion is still in the air; it is still the mood of the industry because there appears to be an insatiable demand for the products of the pulpwood industry and considerable room for more mills west of the Rockies.

British Columbia's forest resources are not inexhaustible; government authorities and operators are not going to be fooled on that count. There is a limit to expansion, but there is still a substantial margin for more development without jeopardizing the country's resources.

Currently there is talk of a huge multiuse forest industry near Castlegar, adjacent to the big new hydro development being carried on by Consolidated Mining & Smelting Co. on the Pend d'Oreille River at a cost of $30 million. This would be a $75 million program, according to one estimate, and in this connection Celanese Corp. has been prominently mentioned. This company, which recently completed its $28 million dissolving pulp mill near Prince Rupert, is known to be making surveys in that area and has already been committed to a policy of growth in British Columbia.

There are also well-founded reports a new pulp and paper enterprise may be launched in the Prince George and Quesnel areas. These would tap a vast forest region that has hitherto been developed in only a small way by neighboring sawmills and latterly by a plywood project. There is also room for another pulp mill on the west coast of Vancouver Island, according to forest experts.

Expand Present Plants?

During the coming decade the tendency may be toward enlargement of existing plants and their further integration rather than toward establishment of separate new mills, once the principal forest areas have been covered.

This is already to be seen in the expansion of the recently completed kraft mill of the H. R. MacMillan Export Co., near Nanaimo, the probable increase in capacity of the Bloedel pulp mill at Port Alberni, progressive expansion at Powell River, improvement at Port Mellon where Canadian Forest Products has taken over the kraft mill formerly operated by Sorg Pulp Co., and at Woodfibre and Port Alice, now under the control of the new Alaska Pine & Cellulose Ltd., resulting from the west coast partnership of Abitibi and the Koerner interests.

When the Columbia Cellulose Co. mill opened at Prince Rupert last spring the president, Harold Blancke, announced that plans were already under way for the mill's enlargement.

And so it goes. It is an obvious trend because in these days of high-cost construction it is much cheaper to increase existing capacity than to build entirely new plants, save where the cost of bringing raw material to them would be prohibitive.

Investment in Plant

Completion of the Columbia Cellulose Co. mill this year brought the total investment of the pulp and paper industry in the west coast province to $225 million, in plant alone. The industry has an equal, or greater, sum invested in inventories, forest development programs, timber ownerships and other obligations incidental to log production. The industry now comprises 11 operating mills and one under construction (Canadian Western-Pacific Mills at Duncan Bay, Vancouver Island), all of which are located along the coast. The next large pulp mill will probably be built in the interior of the province.

Current construction in the industry in British Columbia represents an investment of more than $85 million. During the past 10 years, capital investment has quadrupled, the value of production has trebled, payrolls have doubled, and the tonnage of pulps and of newsprint have been doubled. British Columbia this year will produce about one million tons of pulp. This is new wealth for Canada, made possible by the investment of more than $500 millions of risk capital.

Value of the Industry

Significance of the industry was emphasized by Paul E. Cooper, president of Pacific Mills and chairman of the western branch, Canadian Pulp & Paper Association, when he stated recently:

"Every one of us engaged in this industry fully appreciates the importance of the essential co-partners of risk capital — inventive minds, research, ideas and constantly improving skills to meet product and market competition, not half way, but all the way, all the time. The sales dollars of the industry come back year after year to benefit British Columbia. They are paid out again, and again, in wages, in taxes, for the purchase of supplies and services. They also activate a never-ending stream of secondary operations, directly and indirectly dependent on the primary producer."

Company Mergers

The past year has been notable not only for expansion but for mergers and consolidations aimed at concentration of pulpwood supply ownership and the more efficient utilization of raw materials through centralized direction and manufacturing.

Among the most significant mergers was that of the Alaska Pine group headed by Leon and Walter Koerner, and Abitibi Power & Paper Co. It resulted from Abitibi President Douglas Ambridge's drive to extend the operations of the big eastern company and the objective of the Koerners to effect a more diversified production from their extensive wood resources.

As a result of this combination the bleached sulphite mills of B.C. Pulp & Paper Co., which had long been operating at Woodfibre and Port Alice, were taken over by the new company, Alaska Pine & Cellulose Ltd., of which Mr. Ambridge is chairman of the board, Leon Koerner, president; and Walter C. Koerner, managing director.

Thus was written another interesting chapter in the astonishing story of the Koerners, who came west shortly before the outbreak of Word War II with the good will of the United Kingdom lumber market and their experience as foresters and mill operators in their native Czechoslovakia as their main assets.

Leon Koerner, first of the family to visit B.C., originally had no intention of staying; he was merely on a world tour, accompanied by his wife. But the forests of the west coast and the possibility of their development fascinated him. When his visit to Vancouver was unavoidably prolonged he became more directly interested. After all, Hitler was on the march in Europe; the industry in Czechoslovakia faced an uncertain future.

He decided to stay, told his brother Walter to join him, and then proceeded to buy an idle mill on the Fraser River which was to become Alaska Pine Co. and one of the province's biggest producers. A couple of years later they bought another mill and logging operations. The deal with Abitibi solidified the organization and made it one of the top-ranking forest industries of Western Canada.

Canadian Forest Products

In a somewhat similar category was Canadian Forest Products. The European group which is behind this vast enterprise, now one of the biggest in the province, had abundant funds but no knowledge of the forest industry.

The late Otto Pick, John G. Prentice and L. L. G. Bentley had been primarily interested in textiles, but on arrival in British Columbia found there was more scope in the forest industry than in their accustomed trade. They entered the plywood field and the war's demand for aircraft material gave them encouragement and the means of expanding their operations. They took over sawmills and large timber holdings, and last winter made their move into the pulp field by taking over, with associated groups, the sulphate mill at Port Mellon which the Sorg Paper Co., of Middletown had closed down after successful wartime operation.

Canadian Forest Products which, like the Alaska Pine group, is barely 10 years old, is today spending $6 million in the complete modernization of the mill (Howe Sound Pulp Co.) at Port Mellon.

MacMillan-Bloedel

An announcement which in a sense sent the industry rocking on its heels a few weeks ago was the plan of H. R. MacMillan Export Co. to merge with Bloedel, Stewart & Welch.

These two big independent companies both had a stake in the pulp industry, although their main interest had been in logs and lumber.

The MacMillan story has been told many times and it is unnecessary to repeat it here — how the young ex-forester foresaw the opportunities for export trade in B.C. lumber, launched his own company and by a series of spectacular coups made it into Canada's biggest lumber producer.

The Bloedel story, although lacking the drama that has marked the career of the aggressive and ambitious H. R. MacMillan, has been of similar importance to B.C. Few, if any, companies hold more standing timber than the Bloedel group, and it has carried integration to its fullest degree through combining the functions of sawmill, plywood factory, shingle mill and pulp mill. The Bloedel pulp mill at Port Alberni was built in 1947. The MacMillan pulp mill was completed last year at Harmac, near Nanaimo. The two big companies by interlocking their forest and processing resources have an enormous production potential

Powell River Move

Only a few weeks ago came the announcement of another big consolidation, to be achieved through the purchase by Powell River Co. of the assets of B.C. Manufacturing Co. and its associated sawmills and the Salmon River Logging Co. The effect of this will be to give the big newsprint mill at Powell River access to another important source of pulpwood and also a profitable outlet for its high-grade saw logs.

It marks another significant step in a continuing program of expansion for Powell River Co. since the war. This company has spent some $25 million on mill improvements and new capacity and it is one of the few companies in the world to install a new newsprint machine within the past few years.

Although not in the merger category, the partnership of Pacific Mills and Canadian Western Lumber Co. in the building of a $40 million newsprint mill at Duncan Bay, near the mouth of the Campbell River, represents the pooling of resources in an intelligent and businesslike fashion.

Canadian Western, which operates one of the largest sawmills in the country at Fraser Mills, near New Westminster, has access to enormous forest land and it was one of the first companies to sign a forest management licence with the British Columbia Government whereby it will be able to take an additional great volume of second-growth timber from adjacent areas. But it lacked experience and skill in the production of pulp and paper. This was supplied by Pacific Mills, which at Ocean Falls has operated for many years one of the biggest and most diversified pulp mills on the coast.

The way was thus prepared for an ideal marriage of skills and resources and it seems likely that the mill now rising at Duncan Bay and which will be completed next year will eventually be one of the biggest producers in the industry. It will operate under the name of Elk Falls Co.

Other Companies

In their own way the smaller pulp and paper companies in British Columbia have grown steadily. Sidney Roofing & Paper Co., at Victoria, now wholly owned by the E. B. Eddy Co., has practically doubled its production within the past two years. The same may be said of the Westminster Paper Co. at New Westminster, a remarkably successful independent company whose founder, E. M. Herb, started his career in the industry in the east in a menial capacity in a machine room and who now is chairman of the board of his company in British Columbia and another across the border in Bellingham, Wash. The New Westminster mill specializes in tissue paper, wrapping and specialties.

In Victoria, Sidney Roofing & Paper Co., which was founded after World War I by R. W. Mayhew, now Canada's Minister of Fisheries, manufactures heavy roofing and similar products.

History of the Industry

By comparison with Eastern Canada, the pulp and paper industry is relatively young, because its development before 1912, when Powell River Co. installed its first newsprint machines, had been marked by half-hearted effort and ill-advised projects that turned to quick failure.

At Port Alberni in the 1890's, for instance, the starry-eyed promoters of a pulp industry tried a process making use of ferns, rags and old newspapers, ignoring the surrounding softwood forest whose value was not fully appreciated as a source of pulp until generations later.

Four years after Powell River Co. went into operation, Ocean Falls became the site of what was to become a thriving industry operated by Pacific Mills. A few years later the Whalen brothers went west from Port Arthur to

(Continued on page 44)

How We Use Up Forests

Following is a table of average annual depletion in Canada's forests for the period of 1939-1948*.

		Aver. Annual Depletion 1939-48		
		000's of cu. ft.	% Depletion	% Utilization
Logs and Bolts for domestic use		1,021,316	29.9	38.0
Logs and Bolts for export		26,399	.8	1.0
Pulpwood for domestic use		662,292	19.4	24.6
Pulpwood for export		151,324	4.4	5.6
Fuel wood		725,768	21.2	27.0
Ties, poles, pit props, posts, rails		65,101	1.9	2.5
Miscellaneous		35,773	1.1	1.3
		2,687,973		100.0
Fire	228,266			
Insects and Disease	500,000	728,266	21.3	
		3,416,239	100.0	

*Not including Newfoundland.

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HORTON ELEVATED STEEL TANKS

100,000-gal. Horton elevated tank at the Columbia Cellulose Company Limited's mill at Prince Rupert, B.C.

Many pulp and paper mills are installing Horton elevated steel tanks like the one shown at the left to supply gravity water pressure for fire protection and general service. Tanks used in this manner have dual piping which allows a certain amount of water to be used for general service and holds in reserve a quantity of water sufficient to supply the automatic sprinkler system in the buildings.

The tank in the view at the left has a capacity of 150,000 gals. and is 100 ft. to the bottom. It is of welded construction.

When considering the installation of an elevated tank, write our nearest office for information or tenders.

HORTON STEEL WORKS LIMITED
TORONTO, ONT. FORT ERIE, ONT. MONTREAL, QUE.
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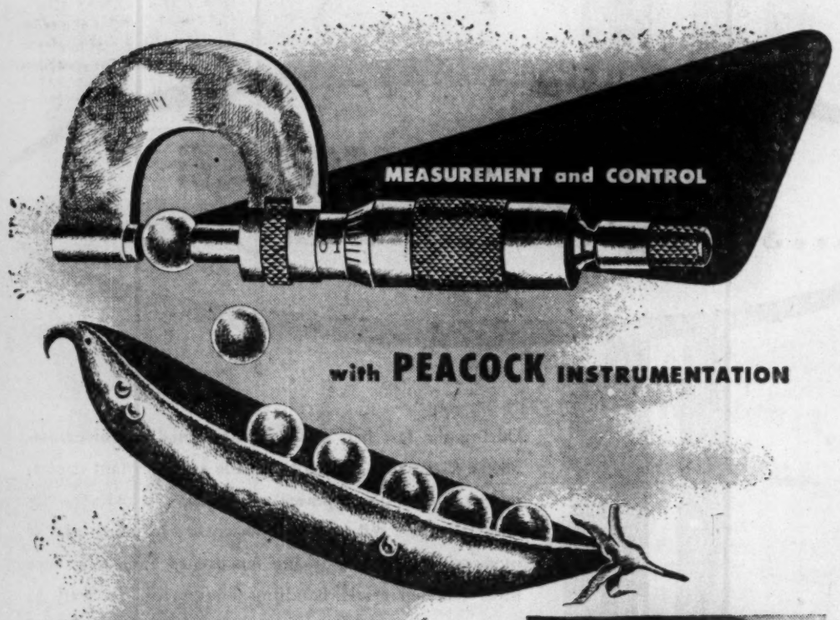

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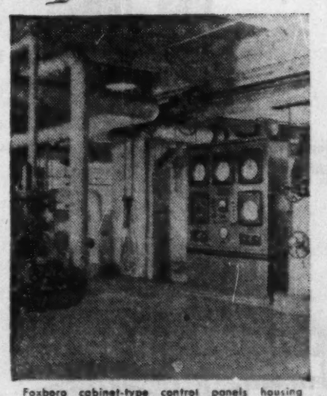

Foxboro cabinet-type control panels housing Foxboro automatic cooking controls for each individual digester installed in a large west coast sulphate pulp mill. An important advantage of this type of installation is that all air and electrical connections are made through openings in the bottom of the cabinet, thus keeping the operating floor clear of all obstructions.

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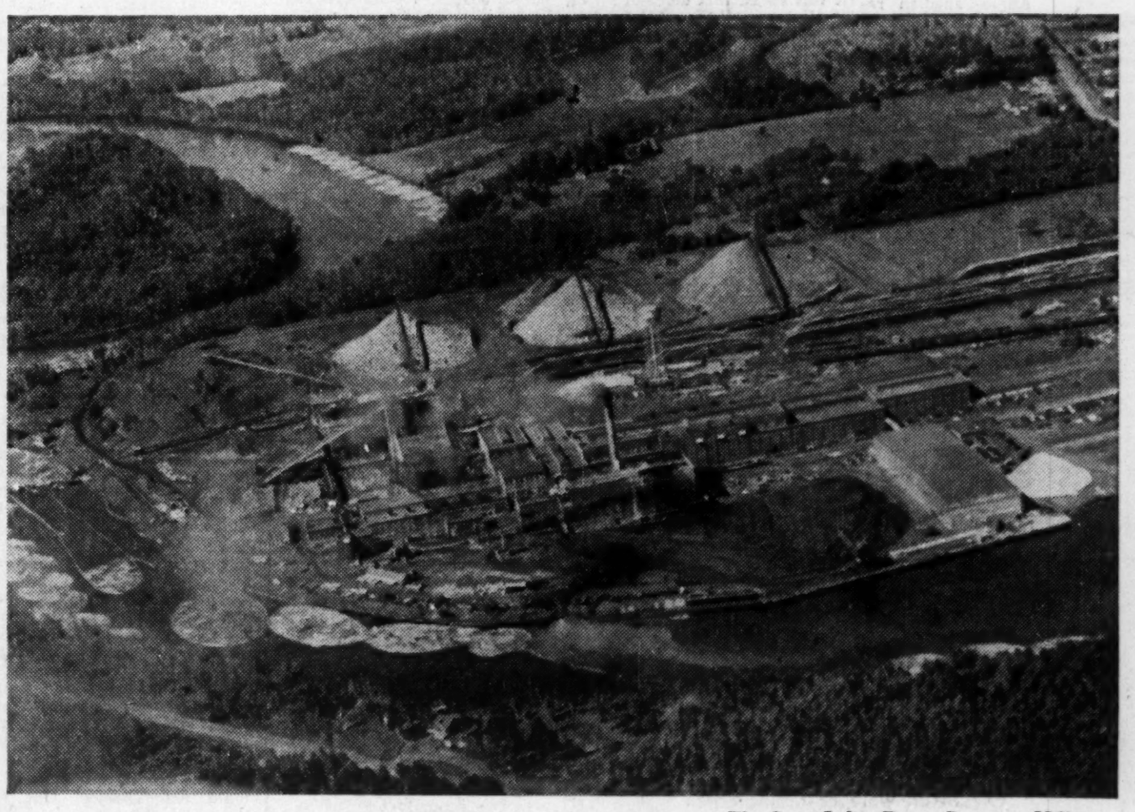

The Great Lakes Paper Company Mills

MANUFACTURERS OF HIGH-GRADE NEWSPRINT PAPER AND UNBLEACHED SULPHITE PULP

Annual Mill Capacity
143,000 Tons Newsprint
48,000 Tons Sulphite Pulp

Pulp and Paper Mills at Fort William, Ont.
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Outlook Good For Specialty Papers

Many Companies Expand to Keep Up With High Demand

Sales of specialty paper producers are generally good, with good outlook also.

Part of the specialty papers line is geared to incomes, which are rising sharply just now but are under pressure from rising prices of consumer goods generally. These products, such as cleansing tissues and serviettes should increase in sales volume as the standard of living rises. Just now, with cutbacks in hard goods consumption, consumers have more to spend on them. (Drug store sales have recently been unusually buoyant.)

Some lines, like envelopes, are related to the level of business activity. Demand is booming in these days of top employment and busy offices. But firms, which must compete for business, must overcome problems created by rising costs.

Wallpaper probably has a good future ahead with the large amount of building that has taken place in the last few years.

The slump in housing starts should not affect wallpaper demand soon as new houses are not generally papered in any case. Selling the new house owner on papering as his house gets older and he can afford further expenditures is one of the big challenges to the industry.

One specialty paper company has termed its first six months sales this year "very good."

Abitibi

Abitibi Power & Paper Co., directly and through subsidiaries, manufactures newsprint, sulphite pulp, printing and fine papers and paperboard.

Corrugating board is produced at its mill at Sturgeon Falls, Ont., which has an annual manufacturing capacity of 34,000 tons.

Production of paperboard totaled 35,915 tons in 1950 as against 31,605 tons in 1949.

In addition a new hardboard plant with capacity of 50 million sq. ft. per annum has been completed recently at Sturgeon Falls.

For main report on company see page ??

Anglo Canadian

Anglo-Canadian Pulp & Paper Mills Ltd., besides its newsprint and pulp operations, now has facilities for producing 20,000 tons of paperboard annually at its Quebec City, Que., mill.

Installation of the board machine was completed in 1950 and the machine went into operation in July of the same year. Since then, the company stated in its annual report, manufacture of a number of different kinds of board has been carried on, while additions to the original installation are being made to enable production of a still wider range of board products.

Actual production of paperboard in 1950 totaled 5,500 tons. This year, it's expected to amount to 20,000 tons and, in 1952, to 24,000 tons.

Recently, Anglo-Canadian reported that both its estimated earnings and net profit for 1951 are expected to be somewhat higher than 1950, due to increased output of and prices for pulp and paperboard.

Bathurst

Bathurst Power & Paper Co. operates a plant at Bathurst, N.B., manufacturing the following products for domestic and export markets: cylinder boards, including patent coated, bleached manila, pulp and screenings and colored boards; Fourdrinier boards, including kraft liner and kraft corrugating boards; and high-grade unbleached sulphite pulp.

Early last January the company started up its new semichemical pulp mill at Bathurst, using hardwood as a raw material for manufacturing pulp for a new type of corrugating board. This installation will boost the annual capacity for production of industrial paper boards by some 25,000 tons annually.

Through subsidiaries the company manufactures corrugated shipping containers and like products from kraft liner and corrugated board. Output of kraft products and boxboards is sold mainly in the domestic market and to the U. K. and Australasia. Unbleached sulphite is sold in the U. S., with some sales in the domestic market and some to the U. K.

Approximately 2,700 square miles of leasehold timber limits in New Brunswick and Quebec, estimated to contain over 14 million cords of pulpwood, are held. Timber areas in New Brunswick are situated on rivers tributary to Bathurst harbor, Baie de Chaleur and, in Quebec, on the Bonaventure and Cascapedia rivers, also flowing into Baie de Chaleur.

Capital expenditures during 1950 for additions to properties totaled $2,606,343. Besides putting its new semichemical pulp mill into operation, the company started work on modernizing and rehabilitating its boxboard machine at Bathurst, a program expected to boost production of boxboards at Bathurst by about 10,000 tons annually. The new branch container plant of its subsidiary, Shipping Containers Ltd., went into operation in November, while the new 85-in. corrugator at the Hamilton plant of Kraft Containers Ltd. has been operating since last summer. Further additions to production capacity at Hamilton are in progress.

Consolidated sales rose $2,340,453 to $17,397,889, due chiefly to higher physical volume. Total mill production increased by 13,778 tons to 127,911 tons. Maximum production of container boards and box boards was maintained throughout 1950 and, while the substantial curtailment in pulp operations, due to insufficient orders, continued into the first half of the year, improved market conditions resulted in full pulp operations for the last six months. Converting container plants operated at capacity and total output was up considerably from 1949.

Consolidated net profit for 1950 rose 54% to $2,613,229, from $1,701,398 in 1949.

Estimated net profit for the six months ended June 30, 1951, showed a further gain, rising to $1,518,313 from $1,034,321 in the same period of 1950.

At the annual meeting in March it was stated that demand for all products was high and that, despite increased delivery to customers, the backlog of orders had grown in the first two months of the current year. Over-all production for that period exceeded the average for the preceding year, it was stated, but production was hampered by delays in delivery of some auxiliary equipment. Most of this, however, has been received and is being installed as rapidly as possible.

Brompton

Brompton Pulp & Paper Co. manufactures, directly and through subsidiaries, groundwood pulp, kraft pulp and paper, fibre and specialty papers, boxboard, shipping case materials and lumber. The company is an operating subsidiary of St. Lawrence Corp.

Plants are owned and operated at East Angus, Que., and at Red Rock, Ont. A groundwood pulp mill is operated by a subsidiary at Nipigon, Ont. Combined annual capacity is 181,500 tons, including 45,500 tons of kraft paper, material and board, 9,000 tons of boxboard, 1,500 tons of white paper and toweling, and 8,500 tons of sulphate pulp at East Angus; 75,000 tons of kraft shipping materials, 15,000 tons of sulphate pulp and 10,000 tons of groundwood pulp at Red Rock; and 15,500 tons of groundwood at Nipigon.

The mill and power site at Bromptonville, Que., with a capacity of 17,000 tons of newsprint and 15,000 tons of groundwood pulp, were sold early in 1950 to the city of Sherbrooke for $725,000.

Timber limits totaling 1,644 sq. miles are held in Quebec, estimated to contain about eight million cords of pulpwood. The company also owns, under 21-year renewable lease from the Ontario Government, 3,600 sq. miles of timber limits near its Ontario plant, estimated to contain about 16 million cords.

Brompton has practically the exclusive use for logging purposes of the St. Francis River, from the location of its mill to the headwaters. This facilitates logging operations and transporting timber cut or purchased from settlers. Through a subsidiary, the company controls 50 sq. miles of timber limits in the State of Maine and also 350 sq. miles in Quebec.

Its subsidiaries include McCrea-Wilson Lumber Co., leasing 400 sq. miles of timber limits in Maine and Quebec; Nipigon Corp., operating a groundwood mill at Nipigon; Brompton Distributing Ltd.; Angus Paper Products Ltd., owning and operating a bag plant at East Angus; and Brompton Lands Ltd., incorporated in 1945 to develop the townsite at Red Rock.

Earnings in 1950 showed sharp improvement over 1949. Net sales were higher at $17,864,855 ($16,150,849) and net profit climbed substantially to $2,444,562 ($963,087). Chief reason was higher volume of sales and selling prices of all the company's products. Groundwood and sulphate pulps, although "weak and spotty" in the first half of the year, improved during the final six months and necessitated opening of the Nipigon groundwood mill in October to handle the orders on hand. Total production amounted to 163,733 tons, against 145,470 in 1949, with individual tonnage sales as follows: container boards, 108,125 (100,482); kraft wrapping papers, 25,914 (22,487); groundwood pulp, 15,143 (7,185); sulphate pulp, 14,803 (7,746); and newsprint, nil (7,570).

For the first six months of this year, earnings continued to show a sharp gain. Net for the half-year ended June 30, 1951, totaled $1,607,692, up 75.9% from $915,090 in the same period of 1950. Earlier this year, the company stated that earnings from the sale of surplus pulps more than offset higher cost of its principal product. It expects to continue operating at capacity for the balance of this year.

In view of the company's substantially improved financial position, it was stated in the annual report, serious consideration is being given to a modernization-expansion program. It is expected such a program may involve substantial capital expenditures.

Working capital at the end of 1950 totaled $10,808,677, against $9,147,492 a year earlier. Cash and short-term government securities held at the year-end amounted to $4,748,521 compared with a cash position of $1,589,397 at Dec. 31, 1949.

Back in 1949, actions in damages were instituted against Brompton Pulp & Paper, arising out of a flood which occurred at Bromptonville in the spring of 1948. The claim is still being vigorously contested and no provision for it has been made in the financial statement of the company.

Of the 300,000 common shares of Brompton outstanding, St. Lawrence Corp. holds 299,903.

Canada Paper

Canada Paper Co., a wholly owned subsidiary of Howard Smith Paper Mills Ltd., manufactures kraft wrapping and bagging, rotogravure, envelope papers, box cover papers, paper bags, and a wide range of converted products including crepe and crinkled papers, towels, waterproof building and wrapping papers and many specialties.

Its plant at Windsor Mills, on the St. Francis River in Quebec, includes a sulphate pulp mill, a two-machine paper mill and a converting plant. The St. Francis mill, about half a mile up the River from Windsor Mills, has two paper machines and an electrically driven groundwood mill. Total annual plant capacity is 60,000 tons of kraft, wrapping, book and specialty paper; 60,000 tons of kraft pulp; 10,100 tons of groundwood pulp; and 350 million paper bags.

In 1947, Canada Paper Co. launched a broad expansion program, involving many improvements, additions and changes to the mills. While still incomplete, it has brought production of pulp up to 260 tons daily and production of paper to over 200 tons daily. Last year at Windsor Mills, four new kraft digesters went into operation which have increased supplies of pulp considerably and will enable greater tonnages of kraft to be made in the future. To make room for other future projects, the old No. 1 furnace with its evaporators and tanks was removed. In addition, heavy demand for converted paper products resulted in modifications and additions to this equipment to step up production of certain lines. The electrical system was rehabilitated through providing new transformers, switchgear and feeder lines.

Subsidiaries of Canada Paper Co. include Schofield Paper Co., operating wholesale warehouses in Saint John and Halifax dealing in high-grade papers, wrapping twine, newsprint, ruled forms, bags, etc.; Canada Paper "Wholesale" Ltd., operating in Toronto and Montreal and merchandising chiefly book, bond and writing papers; and Kilgour's Ltd., operating wholesale warehouses in Montreal, Toronto, Hamilton, London, Ottawa and Winnipeg, selling bags, wrapping paper, twine, paper boxes, etc.

Canada Paper owns 35,000 acres of freehold timberland.

Financial and operating statistics are consolidated with those of the parent company, Howard Smith Paper Mills Ltd. The latter holds all the outstanding $1,250,000 7% preferred stock and $100,000 common stock.

Can. Wallpaper

Canadian Wallpaper Manufacturers Ltd., together with its subsidiaries, manufactures and sells wallpapers, being the largest producer in this field in Canada. All grades of wallpaper are manufactured, trade names being "Waterfast," "Durawall," "Sunworthy" and "Semi-trimmed," and "Sunworthy Waterfast."

Plants are located at New Toronto and Leaside, Ont., and Montreal. Operations were formerly carried on through Reg. N. Boxer Co., Stauntons Ltd. and Watson, Foster Co., but these companies were consolidated at divisions of the parent company in 1949. Dominion Colour Corp., New Toronto, formerly color department of Canadian Wallpaper Manufacturers, is now a wholly owned subsidiary. Empire Wall Papers Ltd. is also a wholly owned subsidiary and operates as a wholesale and retail outlet, operating several stores.

Net profit in the year ended April 30, 1951, was $235,345, compared with previous year's net of $166,095. Earnings per share, class "A" and "B," were $1.82 compared with $1.29; dividends payable, $1, compared with $1.

Net profit on wallpaper manufacturing showed a slight improvement, the increase in the consolidated profit being largely due to increased activities of the subsidiary companies, says President Arnold Ashton. Manufacturing costs throughout the organization increased considerably.

The company issued $300,000 4% serial debentures during the year, to mature at various dates. Funds from the issue are being applied in the development and expansion of Dominion Colour Corp., including building expansions.

The company issues a new wallpaper set every second year; is issuing one this year. The two-year timing was introduced in the postwar period and so far has proved satisfactory, as compared with the prewar policy of a new set each year, the company finds.

Consolidated

Consolidated Paper Corp., in addition to its newsprint and pulp operations, is an important producer of kraft paper and board and wrapper. As of August, 1950, its Laurentide division at Grand'Mere and its Wayagamack division at Three Rivers and Cap de la Madeleine had a total capacity of 14,736 tons of board and wrapper and 48,506 tons of kraft paper annually, respectively.

Kraft wrapping paper is sold under the trade name "Way-

(Continued on page 38)

THE KVP COMPANY LIMITED

Espanola, Ontario

Manufacturers of:

Bleached Sulphate Pulp
Bleached and Unbleached Wrapping Papers
Sulphate and Groundwood Specialty Papers
Newsprint Specialty Papers

Associated Companies:

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Wood Pulp Production Continues to Show Steady Growth

Increasing World Demand Means Heavy Call on Canada

Gross value of Canadian pulp and paper production in 1950 amounted to roughly $925 millions-$950 millions. This year it's likely to top the $1,000 millions mark.

Behind this huge volume of production is the manufacture of wood pulp. That commodity is relatively unknown to the layman because its importance is obscured by the many products for which it is the raw material. With most people, at least, newsprint, fine papers, paperboard, cartons, shipping containers, specialty papers and the many building materials are the things which come to mind first when the pulp and paper industry is mentioned. They are also better acquainted with the many products made by the chemical industry from pulp, ranging from plastics to textiles and from photofilm to explosives.

Yet pulp as such is one of the most valuable exports now sold by Canada in its trade with the world; last year brought in $208.5 millions through sales to other countries. The figures showing the increase in Canadian wood pulp production, not only in terms of total tonnage but in relation to total world production, provide one of the best ways to get a full picture of the progress of the whole industry. And the rapid growth of pulp and paper usage in the world is best seen through the total figures for pulp, whether sold as such or used in manufacture of other commodities.

For instance, world pulp production last year totaled roughly 34-35 million tons. In 1938 it was 23.4 millions. Prewar Canada provided about 16% of the world's pulp supply and 10% of all pulp exports; a decade later its share had increased to 27% and 35% respectively.

Expansion in Canada

Total Canadian production of wood pulp of all grades in 1950 was a record for the industry, and it's expected that this will be exceeded again this year.

For the mills are not standing still. At the beginning of 1949 annual capacity of the Canadian industry was 8.9 million tons. A year later this had increased to 9,060,000, and at the beginning of this year it was 9,325,000. It's expected that by January 1, 1952, capacity will be 9,620,000 tons per annum with a further 225,000 tons of capacity scheduled to be added during the following 12 months.

What's the basis for this steady expansion of wood pulp manufacturing capacity?

The world in recent years has shown an increasing hunger for pulp, mostly for paper but also for other uses, and Canada, backed by its large forest resources, is becoming an increasingly important factor in supplying the great demand.

Biggest increase in demand for pulp has come from the United States which prewar consumed about 31% of the world's pulp, now accounts for roughly 50%. If the prewar division of world pulp supplies were to be restored on the basis of the U. S. consumption, it would require over 15 million tons of additional pulp supply.

How U. S. Uses Wood Pulp

Because the United States is such a huge market and because it is a natural customer for Canada, growth of wood pulp consumption in that country has been a significant factor in Canada's development as a pulp producer. Use of wood pulp in the production of paper and paperboard in the United States in 1939 was 8,650,000 tons. In 1950 it was 16,483,000 tons.

In the same period the consumption of pulp by the U. S. rayon industry jumped from 145,000 tons to 456,200 tons and in other nonpaper products from 70,000 to 243,800 tons. Thus total consumption has nearly doubled in those 12 years.

In the same period total Canadian exports increased from 705,500 tons to 1,846,000 tons. Of the 1939 tonnage, 86% went to the United States; last year it was 87%. Value of pulp shipments to United States last year was $191 millions (out of the $208.5 millions to all countries).

Of course, only about 22% of Canada's pulp production is exported as such. The rest is processed to newsprint and other paper and paper products.

But here again the American market is the big factor in the growth of our total paper production (particularly newsprint) and therefore our pulp production.

Of 5,310,000 tons (4,950,000 exports) of Canadian newsprint shipped in 1950, 4,750,000 tons worth $465 millions went to the United States. Value of these newsprint exports represented 23% of all Canada's exports to the United States last year. Newsprint and pulp between them accounted for $695 millions of the $749 millions of total pulp and paper exports from Canada last year.

The growth in the manufacture and export of market pulp is regarded by many observers as one of the most significant developments of the industry in recent years. Although almost all of the increase in U. S. pulp consumption has been met from domestic sources, and even though the level of total U. S. pulp imports has remained almost constant since 1929 at around two million tons per annum, U. S. imports from Canada have risen nearly 125%. The gain by Canada has been at the expense of the Scandinavian countries which have been concentrating recently on non-dollar markets where customers are prepared to pay high prices if they don't have to use U. S. dollars.

Because European pulp consumption is increasing and because European supplies of wood cannot be expanded to support pulp manufacture much beyond present output, it looks as though Canada will become increasingly important as a supplier for the expected future growth of world pulp consumption. Pulpwood consumption in the Scandinavian countries is being maintained in line with annual growth, but European forests as a whole have been overcut since the war.

Therefore it's expected that less and less European pulp will be available in other parts of the world because it will be needed to support production of paper and paperboard in Europe.

This trend has already become apparent, not only in the smaller volume of European pulp coming into the United States, but also in the rapid decline of European production of unbleached sulphite pulp in preference for bleached grades of both sulphite and sulphate.

The U. S. Picture

What accounts for the large increase in U. S. consumption of pulp in recent years?

Primarily, it is due to the tremendous increase in paper and board production. In 1939, total output of the paper and board industry south of the border amounted to 13.5 million tons. Ten years later it was 20.3 million and last year 24.2 million.

On the basis of six months production of 13.7 millon tons, output this year has been at the annual rate of 27.5 million. While final 1951 results may not show a total as high as this, because there has been some evidence that production may be slowed down due to a slight easing in demand, it appears certain that a new record will be set exceeding the previous record achieved last year.

Not only is total U. S. consumption of paper and board increasing in total tonnage, but there is also a steady growth on a per capita basis. This is illustrated in the following table:

U. S. Consumption (all grades)

Year	per capita lb.
1899	57.9
1920	144.6
1930	200.6
1935	200.4
1940	254.0
1945	281.8
1950	381.2

This increase in per capita consumption hasn't been as smooth as the above table would suggest. There have been dips and peaks along the way, naturally. But the trend is there and on the basis of six months' figures for this year it's continuing.

For in spite of a large increase in population, based on the July 1, 1951, population estimates by the U. S. Bureau of the Census, the apparent per capita U. S. consumption (new supply) was 207.3 lb. in the first six months of 1951, or at the annual rate of 414.6 lb. This would be 25% of the 1949 level when consumption fell off, and 35% higher than the 1941 level (the high prior to 1946).

The American Paper & Pulp Association breaks down the per capita consumption increase between 1941 and 1951 as follows: Printing and other cultural papers, including newsprint, 20%; sanitary papers, 33%; packaging papers (coarse paper and paperboard), 26%; building paper and board, 40%. One of the big factors in the expansion of building paper and board, it is pointed out, has been the boom conditions recently as compared with building activity in 1941.

The remarkable feature of this is that these increases are on a per capita basis. The U. S. population grew from 133 millions in 1941 to 152 millions in 1950.

For Other Products

The foregoing doesn't take into account the growth in consumption of pulp for rayon and other nonpaper products. These represented 2½% of total U. S. pulp consumption in 1939 and 4% last year.

Because there has been a good deal of production going into inventory accumulation, it is likely that the second half of 1951 will see some reduction in the rate of production in the first half. The U. S. Government placed restrictions on the inventories the manufacturers are allowed to hold on July 1 and this has meant that Canadian and U. S. pulp mills normally supplying them have been instructed to postpone shipments in some cases.

On the other hand, the Government has placed ceilings on the price U. S. consumers can pay for imported pulp. This has tended to slow down Swedish sales in the United States particularly, and has enabled North American producers of pulp to maintain production by switching tonnage to fill the gap left by the Swedes.

There is some thought that the present ceilings on imported pulp may be further reduced, because these are still about $50 a ton higher than the prices being charged by Canadian pulp companies in the U. S. market.

Canadian companies making market pulp have felt an easing in demand as a result of these new U. S. measures and also because of the slight drop due to normal market factors. However, the demand from overseas countries has been strong because of the inability of Scandinavian producers to supply the whole nondollar market even after pulling tonnage away from the United States when the price ceilings were imposed in the third quarter. Prices in the nondollar markets are considerably higher than in the U. S. and many producers have been finding this overseas business to their liking.

Pulp Exports

Here is a comparison of some of the main pulp grades exported to the U. S. and to other countries in the first six months of 1950 and of 1951:

	—United States— (000 tons)	($000)	All Other Countries (000 tons)	($000)
Bleached Kraft				
1951	222	37,725	2	506
1950	202	25,387	x	44
Unbleached Kraft				
1951	87	13,530	34	7,725
1950	61	5,414	3	221
Bleached Sulphite (Dissolving)				
1951	126	23,063	46	9,502
1950	117	17,472	26	3,760
Bleached Sulphite (Paper Grades)				
1951	117	17,658	6	1,536
1950	133	15,316	1	101
Unbleached Sulphite (Strong)				
1951	139	19,447	28	5,299
1950	107	10,087	17	1,604
Unbleached Sulphite (News Grade)				
1951	66	9,103	19	3,661
1950	37	3,543	11	1,009
Groundwood				
1951	145	11,317	4	356
1950	112	5,973	Nil	Nil
Total Pulp (incl. other types)				
1951	927	134,656	139	28,705
1950	791	85,251	58	6,738

x Less than 500 tons.

Tonnage exported last year was a record, although value was below record 1949 (1,846,143 tons vs 1,797,998, $208.5 millions vs $211.5 millions). However, on the basis of the six months' figures shown above a new record should be set this year both in dollars and in tonnage.

The export figures illustrate the continuing growth of the importance of market chemical pulp in the Canadian industry. The Scandinavian countries are still the biggest producers of this pulp moving in world export markets, but Canada has been coming up quickly.

In 1950 Canada produced 4.9 million tons of mechanical pulp and 3.4 million of chemical pulp. In 1939 comparable figures were 2.8 million and 1.4 million. Thus chemical pulp output has risen 141% in that period, compared with 77% for mechanical; and chemical pulp now represents 41% of total output compared with 33% in 1939. The growth in mechanical pulp has been tied mainly to the increased demand for newsprint, in which it is the main raw material, although it goes into other paper as well.

World Exports

The following breakdown of world export pulp, based on estimates of the United States Pulp Producers Association, shows the relative position of Canada now with other main producing countries:

	1937	1948	1949	1950
	(thousands of short tons)			
North America	12,067	21,015	20,025	23,182
Canada	5,493	8,143	7,853	9,371
Utd. States	6,573	12,872	12,172	14,811
N'th European	7,628	6,100	6,005	6,782
Finland	2,536	1,847	1,778	2,109
Norway	1,208	942	1,046	1,185
Sweden	3,884	3,311	3,181	3,488
Total, five countries	19,695	27,115	26,030	29,964

Before the war those five countries accounted for roughly 90% of the pulp moving in international trade. No accurate figures for the world are available for the postwar period.

Comparable production figures for the five in those years are:

	1937	1948	1949	1950
	(thousands of short tons)			
North America	12,067	21,015	20,025	23,182
Canada	5,493	8,143	7,853	9,371
Utd. States	6,573	12,872	12,172	14,811
N'th European	7,628	6,100	6,005	6,782
Finland	2,536	1,847	1,778	2,109
Norway	1,208	942	1,046	1,185
Sweden	3,884	3,311	3,181	3,488
Total, five countries	19,695	27,115	26,030	29,964

Prewar these five countries accounted for roughly 75% of world production. No accurate figures for postwar are available.

As we have seen, the great majority of the pulps made in Canada go directly or indirectly into

(Continued on page 34)

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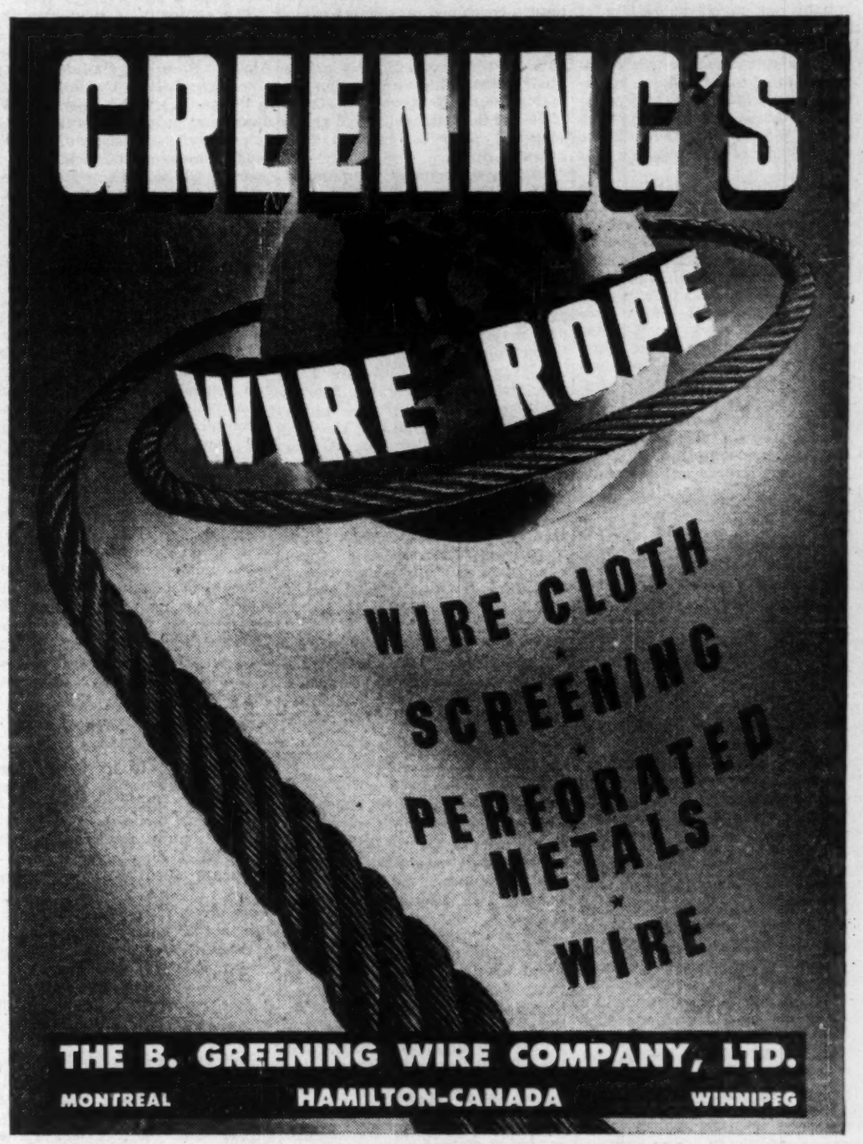

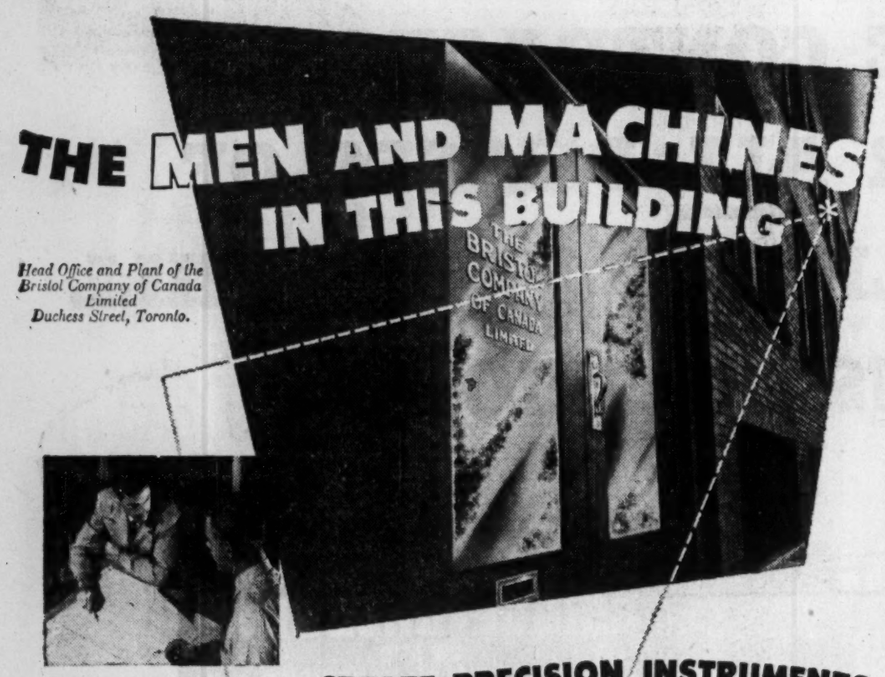

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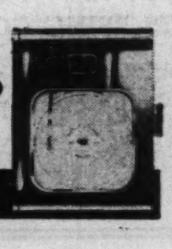

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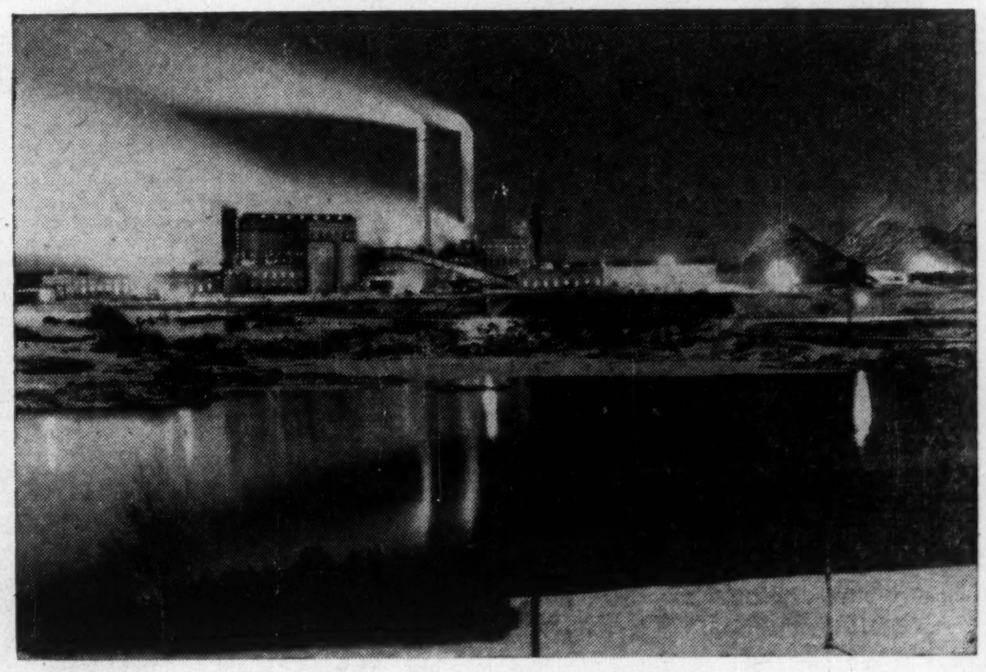
Spruce Falls Power and Paper

COMPANY, LIMITED



At the present time we are operating our mill at capacity and are producing newsprint in excess of 750 tons, and sulphite in excess of 375 tons, daily.

We shall continue to do our part to relieve the present world shortage of cellulose products.

Mills at Kapuskasing, Ont.

OFFICE—TORONTO, ONT.

Here Are the Wood Pulp Producers

(Continued from page 33)

the export market, either as pulp or as paper (mainly newsprint). However, the domestic paper industry has also seen remarkable growth in recent years.

Newsprint is the only paper which moves into the export market in any quantity because of the tariff walls effectively blocking sale of other types.

No accurate figures are available on the per capita consumption of paper in Canada. It is known to have risen greatly, probably as much or nearly as much, percentagewise, as the United States. But a large amount of paper consumed in this country—in the form of books, magazines, newspapers, etc., and packaged goods—is imported from the United States, and there is no record kept of the tonnage this represents.

The result is that details of an important part of the paper and paper products we use can't be broken down. The U. S. hasn't the same trouble because virtually all the paper it consumes, except newsprint, is made within its own borders. It knows how much is made, how much it exports, how much (including newsprint) it imports. Therefore the per capita consumption figures shown earlier are probably pretty close to the mark.

Some idea of the growth of Canadian consumption can be seen from figures on domestic production of paper other than newsprint:

Type of Paper (thousand tons)	1939	1949
Book and Writing	90	200
Wrapping	110	196
Paper Board	414	797
Tissue and other	60	161

Alaska Pine

Alaska Pine & Cellulose Ltd. was incorporated in 1925 as British Columbia Pulp & Paper Co. Control of B. C. Pulp was purchased late in 1950 by Abitibi Power & Paper Co. Subsequently an agreement was reached whereby the company acquired from Koerner interests all of the Alaska Pine group of companies. In return Abitibi agreed to sell to the Koerners all common shares of B. C. Pulp acquired by Abitibi in excess of 50% thereof. On completion of the arrangements the name of the company was changed to Alaska Pine & Cellulose Ltd.

Last spring the company sold a new issue of $15 millions first mortgage bonds, consisting of $1,500,000 3% serial bonds (not publicly offered) and $13,500,000 4½% sinking fund bonds due May 1, 1966, offered at par and accrued interest.

Proceeds were about $6 millions for redemption of the previously outstanding first mortgage bonds and preference shares of the company and the balance to reimburse the company for capital expenditures already made. Funds representing such reimbursement were to be applied, together with other company funds, to retire indebtedness to be incurred in acquiring shares of Alaska Pine Co. and associated companies.

The pulp operations of the company are carried on at two mills, one at Woodfibre on Howe Sound, B.C., about 25 miles from Vancouver, and the other at Port Alice, B.C. in the northerly part of Vancouver Island. The mills have a combined productive capacity of 130,000 to 140,000 tons of chemical pulp per annum. About 90% of the production is prime quality dissolving pulp used in the manufacture of rayon and staple fibre and the balance is high grade bleached pulp for use in fine paper making.

In July the company announced a $6 millions modernization program for the dissolving sulphite mill at Port Alice. This program included a whole log barker and chipping plant, a new modern bleach plant, a bleached pulp screen room, a high pressure 225,000 lb.-per-hour steam boiler and major changes in the mill's water supply.

Alaska Pine & Cellulose Ltd. now owns outright all the Alaska Pine group of companies which include: Alaska Pine Co., Universal Lumber & Box Co., Alaska Pine Sales Ltd., Alaska Pine Trading Ltd., Northern Timber Co., Pioneer Timber Co., Jones Lake Logging Co., Empire Machinery Co., and Alaska Pine Purchasing Ltd. Each of these companies continues its present operations but as a wholly owned subsidiary of Alaska Pine & Cellulose Ltd.

The new organization also controls Canadian Puget Sound Lumber & Timber Co. and Western Forest Industries Ltd. The management of these two companies is unchanged.

Combined results of the former British Columbia Pulp & Paper Co. and the Alaska Pine group of companies, as shown in the prospectus covering the bond issue, shows sales of $34,920,753 for 1950 as compared with $26,926,973 for 1949. Combined net profit was $5,913,444 in 1950 and $2,132,917 in 1949.

Capitalization outstanding was to consist of $1,500,000 3½% serial bonds due May 1, 1952 to 1954; $13,500,000 4½% sinking fund bonds due May 1, 1966; 16,500 5% cumulative redeemable preferred share, par $100, and 100,000 npv common shares.

Abitibi

Abitibi Power & Paper Co. directly and through subsidiaries, manufactures newsprint, sulphite pulp, printing and fine papers and paperboard.

Annual manufacturing capacity includes 690,000 tons of newsprint, 65,000 tons of bleached sulphite pulp and 31,000 tons of unbleached sulphite pulp. Mills producing this tonnage are located at Iroquois Falls, Sault Ste. Marie, Fort William, Port Arthur, Smooth Rock Falls, Ont.; Pine Falls, Man.; and Beaupré, Que.

Production of bleached sulphite pulp totaled 58,960 tons in 1950 (57,418 tons in 1949.)

Production of unbleached sulphite pulp totaled 5,286 tons in 1950 (11,804 tons).

The company is now also the owner of 50% of the issued and outstanding common shares of Alaska Pine & Cellulose Ltd. (formerly British Columbia Pulp & Paper Co.) which operates two dissolving pulp mills on the Pacific coast with a capacity of 135,000-140,000 tons of chemical pulp a year in addition to its lumbering activities. (See separate writeup.)

For main report on company see page 47.

Anglo Canadian

Anglo-Canadian Pulp & Paper Mills Ltd. produces a substantial amount of unbleached sulphite pulp for sale at its Quebec City mill, in addition to its newsprint and paperboard output. Annual capacity is 43,000 tons of sulphite.

Actual production of sulphite last year totaled 21,000 tons, it was stated recently in a prospectus covering a secondary offering of 40,000 common shares. This year, it's expected to total 43,000 tons and, in 1952, 70,000 tons. Production is currently at capacity, the company reports.

Anglo-Canadian reported recently that both estimated earnings and net profit for 1951 are expected to be somewhat higher than in 1950, due to increased output and prices for pulp and paperboard.

Bathurst P. & P

In addition to its larger container board and box board operations, Bathurst Power & Paper Co. produces unbleached sulphite pulp for sale at its Bathurst, N.B., plant.

During 1949, both sales and prices of unbleached sulphite were down from 1948 levels. The substantial curtailment in pulp operations, due to insufficient orders, continued into the first half of 1950, but improved market conditions resulted in full pulp operations for the last six months of the year.

Mill production of pulp totaled 17,923 tons in 1950, against 14,817 in 1949 and 22,006 in 1948.

At Bathurst's annual meeting earlier this year, it was stated that demand for all products of the company was high and that, despite increased delivery to customers, the backlog of orders had grown in the first two months of 1951. Over-all production for this period exceeded the average for the preceding year.

Bloedel-Stewart

Bloedel, Stewart & Welch Ltd. operates an unbleached sulphate pulp mill at Port Alberni, B.C., which went into production in the fall of 1947. It was the first mill in the province designed to utilize the waste products of sawmills. Its current production is approximately 200 tons of pulp daily. The tidewater location of the mill has enabled the company to ship its pulp economically to offshore markets.

The directors have approved merger with H. R. MacMillan Export Co. to form a new company to be known as MacMillan & Bloedel, Ltd.

No further public announcement has been made in regard to the merger since last April. However, the companies are working out procedure and dealing with the various problems that must necessarily arise in the case of a merger of this importance. Meetings with shareholders have not yet been called.

Bowaters

Bowaters Newfoundland Pulp & Paper Mills Ltd. produces substantial amounts of sulphite pulp for sale.

At its Corner Brook mills, at the mouth of the Humber River in Newfoundland, it operates a 150-in. sulphite pulp drying machine with an aggregate daily capacity of 175 tons or about 55,000 tons annually in addition to its large newsprint operations.

In the fall of 1949, unfavorable pulp markets forced the closing down of this export sulphite mill. The U. K. market for bleached sulphite was practically wiped out by dollar difficulties and a $25 per ton drop in the price of sulphite added to the difficulties. In April of 1950, however, the mill resumed operations and has since been working to capacity, it was stated earlier this year. Most of this year's production of unbleached sulphite, estimated at 45,000 tons, was expected to be exported to Great Britain.

Demand for newsprint, wood pulp and pulpwood throughout the free world has continued to increase and to exceed available supplies, it was stated, and Bowater's is making efforts to boost the output of its mills toward meeting requirements of customers in the U. S., the U. K. and the Dominions for both newsprint and pulp, while cutting of pulpwood for export to the U. K. has also been resumed.

Brown Corp.

Brown Corp., a wholly owned subsidiary of Brown Co. of Berlin, New Hampshire, is Canada's largest producer of sulphate pulps. Its mill, at La Torque, Que., on the St. Maurice River, has an annual productive capacity of about 132,000 tons of bleached, semibleached and unbleached sulphate pulp. In addition, it produces 130 gallons of turpentine daily and 1,000,000 ft. spiral-wound cores annually.

The company's timber limits include 849,000 acres of freehold timberland and 1,650,000 acres under licence from the Province of Quebec. These are sufficient to provide a perpetual supply of pulpwood for the La Tuque plant in excess of present capacity.

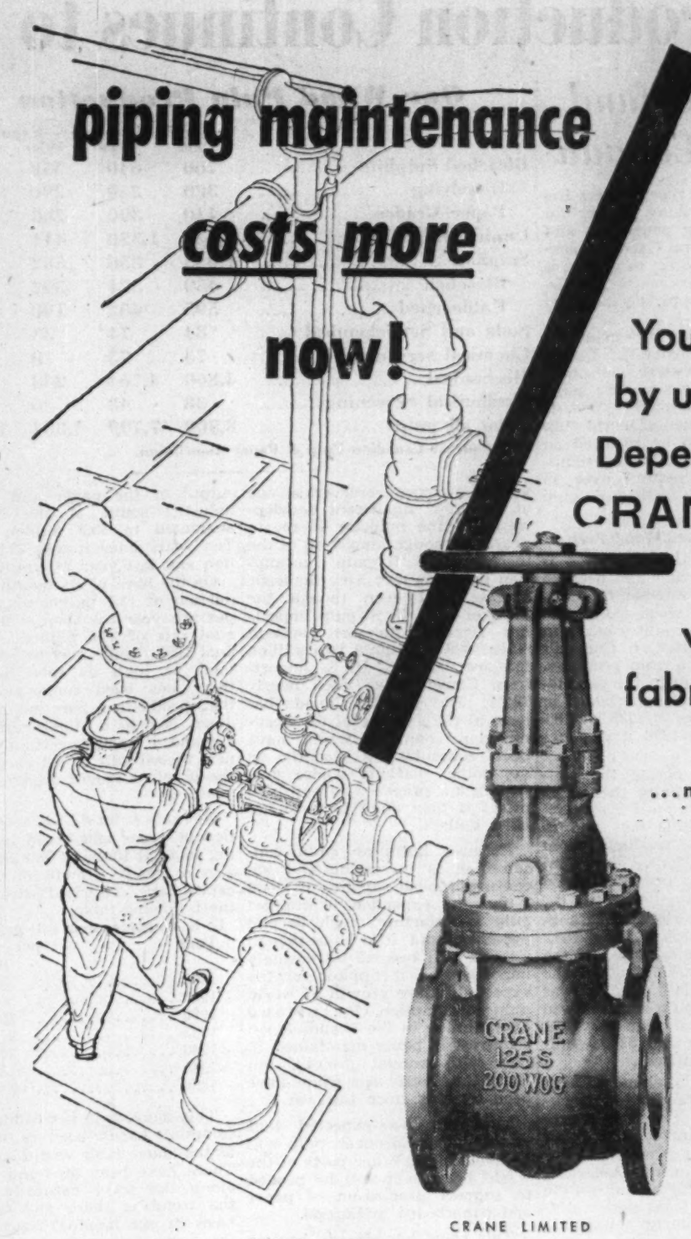
Brown Corp. owns 50% of the Power Corp., which owns a 222,500-hp hydro-electric power plant at La Tuque. The balance is held by Shawinigan Water & Power Co.

Brown Corp. operating results are consolidated with those of the parent company. For the year ended Nov. 30, 1950, net sales hit a record $53,102,469, up 22.7% from the previous fiscal year. Tonnage of products sold rose 25.7% but, while the trend of prices was upward, average prices for the company's products were below those of 1949 and considerably off from 1948. Net profit for the year was sharply higher at $4,021,940 ($1,091,710 in 1948-49). This was equal to $27.90 ($7.57) per preferred share and to $1.58 (11c) per common share.

The increase in earnings has continued on into the present fiscal year. Consolidated net sales for the first seven four-week accounting periods of the current fiscal period increased to $38,035,000 due to a substantial increase in tonnage production and generally higher prices this year. Consolidated net profit after taxes totaled $4,318,000, an average of $617,000 per period compared with an average of $309,000 for the 13 periods last year. While there are indications of a continuing strong demand for the company's products, it was stated, uncertainties of frozen prices, increased costs and other factors make estimating difficult. Continuation of rehabilitation program, both in the U. S. and Canada, are expected to affect both production and unit cost favorably.

Earlier this year, shareholders of the parent company finally approved plan of recapitalization to clear the $54 per share arrears on the $6 cumulative convertible preferred stock, $100 par. The plan provided for exchanging these shares on the basis of one new $5 cumulative convertible first preference share and one new $3 cumulative second preference share for each preferred share held. The new

(Continued on page 36)



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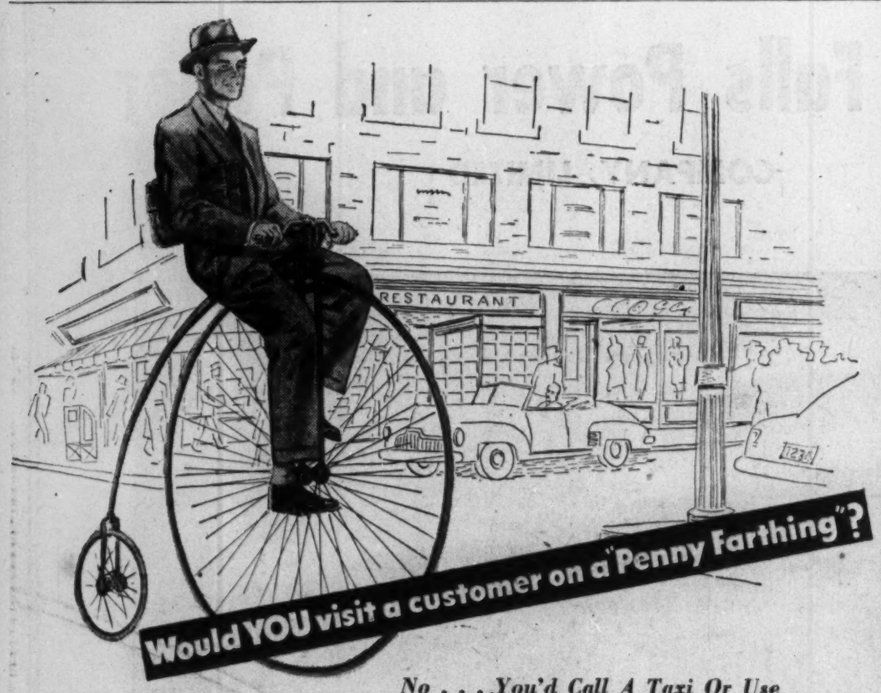

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Bloedel Stewart & Welch Ltd. — Sulphate Mill at Port Alberni, B.C.
H. R. MacMillan Export Co. Ltd. — Sulphate Mill at Nanaimo, B.C.
Columbia Cellulose Co. Ltd. — Cellulose Mill at Prince Rupert, B.C.

CONTRACTS BEING COMPLETED

Elk Falls Company Limited — Newsprint Mill at Duncan Bay, B.C.
Howe Sound Pulp Company Limited — Sulphate Mill, Port Mellon, B.C.

Output of Building Papers Continues at High Levels

One Eye on Housing Slowdown, Expansion Plans Going Ahead

Makers of building products using paper have been enjoying boom business for the first half of this year and during last year. Peak contract awards and building programs have meant unprecedented demands for many lines.

Recent declines in housing activity may have an effect on year-end results of companies, but housing makes up only about a third of Canadian building and activity was very high early this year.

There were decreases in June sales of some building products using kraft and felt bases, compared with the same month last year in official figures. However, this is not necessarily a continuing condition and production is still at high levels.

One company has reported a drop in first six months demand for insulating board, with a pick-up in July, the month of low housing starts.

Arborite

The Arborite Co., a subsidiary of Howard Smith Paper Mills Ltd., was formed in 1947. It occupied a new plant at Ville LaSalle, Montreal, in August, 1948 and produces decorative paper base laminates for decorative wallboard and table or counter-top application, and a complete range of paper and cloth laminates for electrical and other industrial uses.

In 1950, the parent concern reported earlier this year, Arborite Co. had a very successful year. To satisfy the demand for its products, capacity of the plant was increased substantially, President E. H. Smith stated.

Additions during the year included installation of a second impregnator, which was housed in an addition to the north side of the main plant. A similar addition to the south side provided a new stock and shipping area and enabled extension of the general offices. In the plant itself, there were numerous additions and modifications and installation of a high voltage testing laboratory to ensure the electrical qualities of the industrial grades of Arborite.

Individual financial and operating statistics of Arborite Co. are consolidated with those of the parent company.

Recently, Howard Smith Paper Mills' Chairman Harold Crabtree announced that, at Ville LaSalle, an extension to the Arborite plant is to be made. This is part of a program which includes new construction at Crabtree Mills, the whole involving an expenditure of approximately $14 millions over the next two to three years.

Building Products

Building Products Ltd. manufactures asphalt shingles and tiles, roll roofing, roofing felt, wallboard, insulating board and sidings, building papers, expansion joints, waterproof paints and cements and allied products, under the trade names: "B.P.," "Neponset," "Ruberoid," "Birds," "Vulcanite," "Insul-Board," "Insul-Bric," "Dry Wall," etc. Over 50 different types of roofing and other building products are marketed. B.P. Hardboard is now being added to the line of products. Besides its domestic business, the company carries on an export trade with Great Britain and other countries when conditions are favorable. Since 1947 it has been the prime distributor of Fiberglas building insulation, made by Fiberglas Canada Ltd., Oshawa, Ont.

A number of plants are operated as follows:

at Pont Rouge, Que., a two-machine paper mill with additional facilities needed for converting part of the paper output into wallboard and insulating board;

at Montreal, a one-machine paper mill producing roofing felts and sheathings and a roofing and siding plant for production of asphalt roofing, shingles and sidings in various forms as well as building papers;

at Hamilton, Ont., a roofing plant for producing asphalt roofings, shingles and sidings in various forms, also building papers and asphalt tile floorings;

at Madoc, Ont., quarries and a rock crushing plant.

at Havelock, Ont. a rock crushing and coloring plant; during 1950 the company acquired the physical assets and business of Ontario Rock Co. at Havelock, Ont., which company was producing and selling trap rock for paving and industrial uses;

at Winnipeg, a one-machine paper mill with additional facilities needed for converting part of the paper output into wallboard and insulating boards, a roofing plant for producing asphalt roofings, shingles and sidings, and building papers;

at Edmonton, Alta., a roofing plant for producing asphalt roofings, shingles and sidings, and building papers will be completed this fall;

Warehouses are operated at Toronto, Ont., Saint John, N.B., and Halifax, N.S.

Continuous expansion in manufacturing facilities has taken place since the war, particularly in the paper mills which supply the basic materials requireti by the converting plants.

Capital expenditures in 1950 totaled $476,553. Projects initiated and completed included a new boiler at Winnipeg, additional productive capacity at Pont Rouge and certain new equipment at Montreal and Hamilton.

Due to increased population and building activity in the West, a new roofing plant is being established in Northern Alberta. In addition, demand for products manufactured in Pont Rouge resulted in a further appropriation late in the year to cover additional productive capacity there. These two projects will require capital expenditures this year estimated at $860,000.

Sales in 1950 chalked up an increase for the eighth consecutive year. Net profit also rose, totaling $1,797,708 or $3.72 per common share, against $1,612,278 or $1.60 per share in 1949. Sales volume for first half was practically unchanged from the same period of 1948 and 1949. In the last six months, however, sales were higher than in any previous comparable period. There was a marked increase in the industrial construction, while housing also picked up, and the amount of work at the planning stage and in progress at the year-end indicated a high rate of activity well into 1951.

Sales for the first two months of 1951, President L. S. Odell stated at the annual meeting earlier this year were substantially up from those in the same period of 1950 and 1949. Material demands for building in progress and buying for spring requirements were both high for that time of year. Operations, he stated, had been normal since the first of the year with all paper mills operating at full capacity. Prices of raw materials had continued to rise and procurement was difficult.

During 1950, Building Products introduced a new design for insulated sidings to be marketed under the trade name of Nu-Line Insul-Bric and Nu-Line Insul-Stone Siding. Patents were applied for and initial acceptance "has been very satisfactory."

Working capital, at Dec. 31, 1950, totalled $5,600,985, against $4,553,815 a year earlier. Cash rose to $3,951,287 ($3,368,260) and inventories to $2,368,800 ($2,016,271). Current liabilities were down somewhat at $1,465,209 ($1,611,850).

Donnacona

Donnacona Paper Co., at its Donnacona, Que. plant, has an insulating board mill with an annual capacity of 90 million sq. ft. Products of the board mill include rough cast and laminated insulating board; roof insulation and plaster lath; rough cast, smooth and colored boards; burl boards for interior finishes; decorative specialties; Donnacousti sound absorbing board; asphalt impregnated board; insulated brick siding; refrigerator and special industrial board; termite-proof board; and hard pressed board and tile.

Last year, while a drop in demand for insulating board was experienced for the first six months, this situation improved in July and full capacity production was maintained for the last half, it was stated in Donnacona's annual report.

Int. Fibre Board

International Fibre Board Ltd. manufactures "Ten-Test" insulating building board, a wood fibre product.

After organization in 1928, the company built a new plant near the newsprint mill of Canadian International Paper Co. and associated companies at Gatineau, Que. Eight acres of floor space are available and the plant produces some 120 million sq. ft. annually of wood fibre solid insulating wallboard. This consists of "Ten-Test" insulating board, "Termite-Test" (insect proof) insulating board and acoustic board for acoustical correction.

Another subsidiary of Canadian International Paper Co., International Fibre Board and Plywood Sales Ltd., distributes the "Ten-Test" insulation products produced.

Earlier this year, International Paper Co., which controls Canadian International Paper Co., stated in its annual report on 1950 operations that insulating board production in Canada last year had totalled 36,961 tons, against 33,171 tons in 1949 and 18,692 tons in 1940.

Total capitalization of International Fibre Board consists of $1.5 millions $100 par first preferred stock; 65,000 $6 non-cumulative $5 par second preferred shares; and 10,000 no par value common shares. All of these are issued and outstanding.

The company has one subsidiary, Ten-Test Fibre Board Co.

Operating statistics are consolidated, along with those of Canadian International Paper Co., with those of International Paper Co.

Masonite Co.

Masonite Co. of Canada Ltd., controlled jointly by Canadian International Paper Co. and Masonite Corp., manufactures Masonite tempered and untempered Presdwood, Masonite, Temprite tile and Masonite flooring at Gatineau, Que. Primary distribution of products is through International Fibre Board and Plywood Sales Ltd. Sales are made in Canada and to export markets other than the U. S.

The company's $300,000 mill at Gatineau, which started operations in 1940, has a present capacity of 265,000 sq. ft. daily of all kinds and grades of "Masonite" board.

Individual financial or operating statements are not submitted for publication.

St. Regis

Besides its large multiwall bag operations, St. Regis Paper Co. (Canada) now has a division producing laminated plastics at St. Johns, Que.

Its new plant there, representing an investment of over $2 millions, started operations in February, 1951. It is designed to supply the requirements to the Canadian market for industrial, refrigeration and decorative Panelyte, (trade name for the company's laminated plastics), heretofore supplied by the Trenton, N.J., plant of the parent company. St. Regis Paper Co. Extension was financed by the Canadian subsidiary.

Panelyte is a hard dense material formed by hot pressing fibrous sheets (of paper, fabric or fibre materials) previously impregnated with synthetic resin. It is supplied in sheets, rods, tubes, molded forms and fabricated parts. It is also supplied in sheets in decorative style. It has more than 50 applications in the refrigeration industry, where the laminate is used as breaker strips and inner refrigerator doors; and in the automotive, aviation, chemical, communication, electrical appliance, electrical power and equipment, marine, mechanical equipment, petroleum, radio and television, textile and railroad fields. Decorative Panelyte is meeting with steadily expanding demand, the company reported last year, for use as permanent and attractive purposes in household and business interior decorating and furnishing.

The growing importance of the Canadian market for Panelyte, it is stated, has made a Canadian plant, utilizing Canadian raw materials and labor to produce laminated plastic for Canadian consumption desirable. The company is also interested in the possibility of production for export to sterling bloc countries.

Currently, it reports, demand for Panelyte is running at high levels.

Sydney Roofing

Sidney Roofing & Paper Co. operates plants at Victoria, B.C., and Lloydminster, Sask.

At Victoria it makes roofing products, building papers, paperboard and paperboard cartons. A wholly owned subsidiary, National Paper Box Ltd., operates a Vancouver plant.

National Paper Box is the paperboard converting unit of the company, and uses paperboard products produced by the parent company to manufacture a full line of paper boxes.

The Lloydminster plant makes asphalt roofing and siding. The company also distributes well-known construction materials.

The E. B. Eddy Co., subsidiary of Eddy Paper Co., has owned a controlling interest in Sidney Roofing since 1949.

Net profit in 1950 was $361,503, a 7.8% increase over the previous year's net of $335,785. Earnings per Class A share were $7.23, compared with $6.72, and dividends paid, 90c, same as previous year. Earnings per Class B share were $3.17, compared with $2.91, and no dividends were paid in either year.

Sales in 1950 showed a "very satisfactory increase" over the previous year. Although the

(Continued on page 44)

Our Pulp and Paper Exports

	1950 Total Exports Tons	1950 Total Exports Value	To U. S. A. Tons	To U. S. A. Value	To Other Countries Tons	To Other Countries Value
PULP—						
Sulphite—Kraft						
Bleached	392,291	$51,379,786	391,423	$51,266,277	868	$ 113,509
Unbleached	189,703	18,864,930	169,299	16,640,567	20,404	2,224,363
Sulphite—Bleached						
Dissolving	290,356	45,478,266	240,897	38,009,059	49,459	7,469,207
Paper Grades	267,502	32,377,079	266,520	32,274,453	982	102,626
Sulphite—Unbleached						
Strong	287,168	29,017,732	243,207	24,587,357	43,961	4,430,375
News Grade	124,314	12,824,563	99,413	10,246,674	24,901	2,577,889
Total Chemical	1,551,234	$189,942,356	1,410,759	$173,024,387	140,575	$16,917,969
Mechanical	247,556	14,037,566	236,539	13,422,861	11,017	614,705
Other Pulps	33,059	4,286,212	32,952	4,268,844	107	17,368
Screenings—						
Chemical	7,758	211,034	7,758	211,034	.....	.....
Mechanical	6,436	78,381	6,436	78,381	.....	.....
Total Miscellaneous	294,809	$18,613,193	283,685	$17,981,120	11,124	$632,073
TOTAL PULP	1,846,143	$208,555,549	1,694,444	$191,005,507	151,699	$17,550,042
NEWSPRINT PAPER—						
Standard	4,938,069	485,746,314	4,724,937	463,155,927	213,132	22,590,387
Mutilated	35,179	2,132,340	35,179	2,132,340	.....	.....
TOTAL NEWSPRINT	4,973,248	$487,876,654	4,760,116	$465,288,267	213,132	$22,590,387
OTHER PAPER—						
Wrapping—Coated	292	78,637	176	29,033	116	49,604
Wrapping—Kraft—n.o.p.	7,535	1,159,631	1,393	197,924	6,142	961,707
Wrapping—n.o.p.	1,903	276,891	603	62,493	1,300	214,398
Book	17,261	2,755,746	14,923	2,162,123	2,338	593,623
Bond & Writing—Uncut	2,149	534,062	78	16,253	2,071	517,809
Paperboard—n.o.p.	49,453	5,231,195	38,718	3,803,801	10,735	1,427,394
Roofing & Building	2,420	153,504	1,745	101,117	675	52,387
Pulp & Fibre Wallboards	7,021	689,100	5,471	541,219	1,550	147,881
Waste Paper—n.o.p.	28,971	1,396,735	28,969	1,396,637	2	98
Pulpboard for Wallboard	25,553	2,035,135	25,310	2,012,918	243	22,217
Tissue	60	17,081	6	1,243	54	15,838
Toilet	2,551	447,591	361	66,758	2,190	380,833
TOTAL OTHER PAPER	145,169	$14,775,308	117,753	$10,391,519	27,416	$4,383,789
PAPER PRODUCTS—						
Bags, Boxes & Cartons						
Bags	.....	604,454	.....	56,125	.....	548,329
Boxes & Cartons	.....	251,268	.....	65,279	.....	185,989
Hangings or Wall Paper	.....	1,014,588	.....	961,962	.....	52,626
Hanging not Printed	.....	3,834	.....	3,834	.....	.....
Writing—n.o.p.	.....	72,995	.....	14,118	.....	58,877
Handkerchiefs—Tissues	.....	31,560	.....	8,874	.....	22,686
Napkins & Towels	.....	79,414	.....	45,078	.....	34,336
Paper—n.o.p.	.....	251,507	.....	122,629	.....	128,878
Other Paper Products	.....	283,096	.....	131,082	.....	152,014
TOTAL PAPER PRODUCTS	.....	$2,592,716	.....	$1,408,981	.....	$1,183,735
GRAND TOTAL	7,178,089	$713,802,227	6,785,842	$668,094,274	392,247	$45,707,953

Note: n.o.p.—not otherwise provided for.

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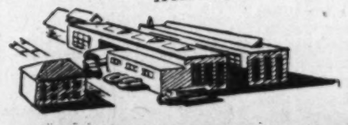

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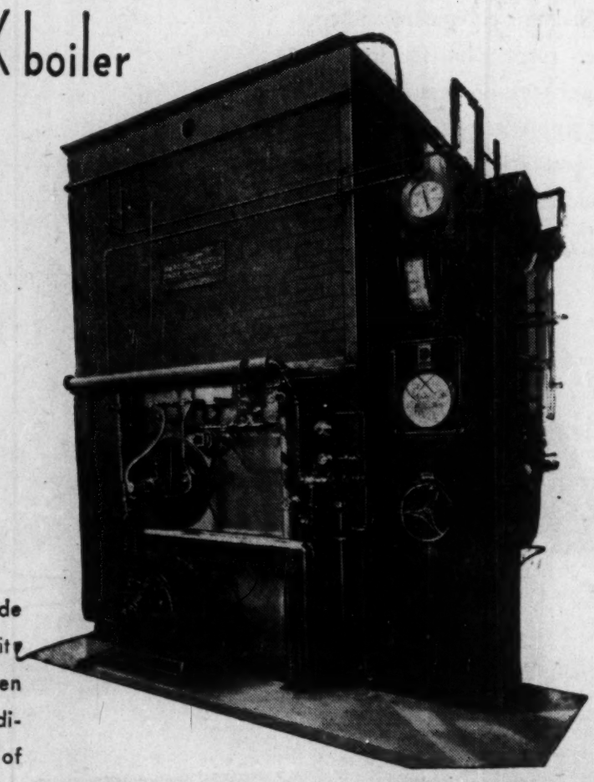

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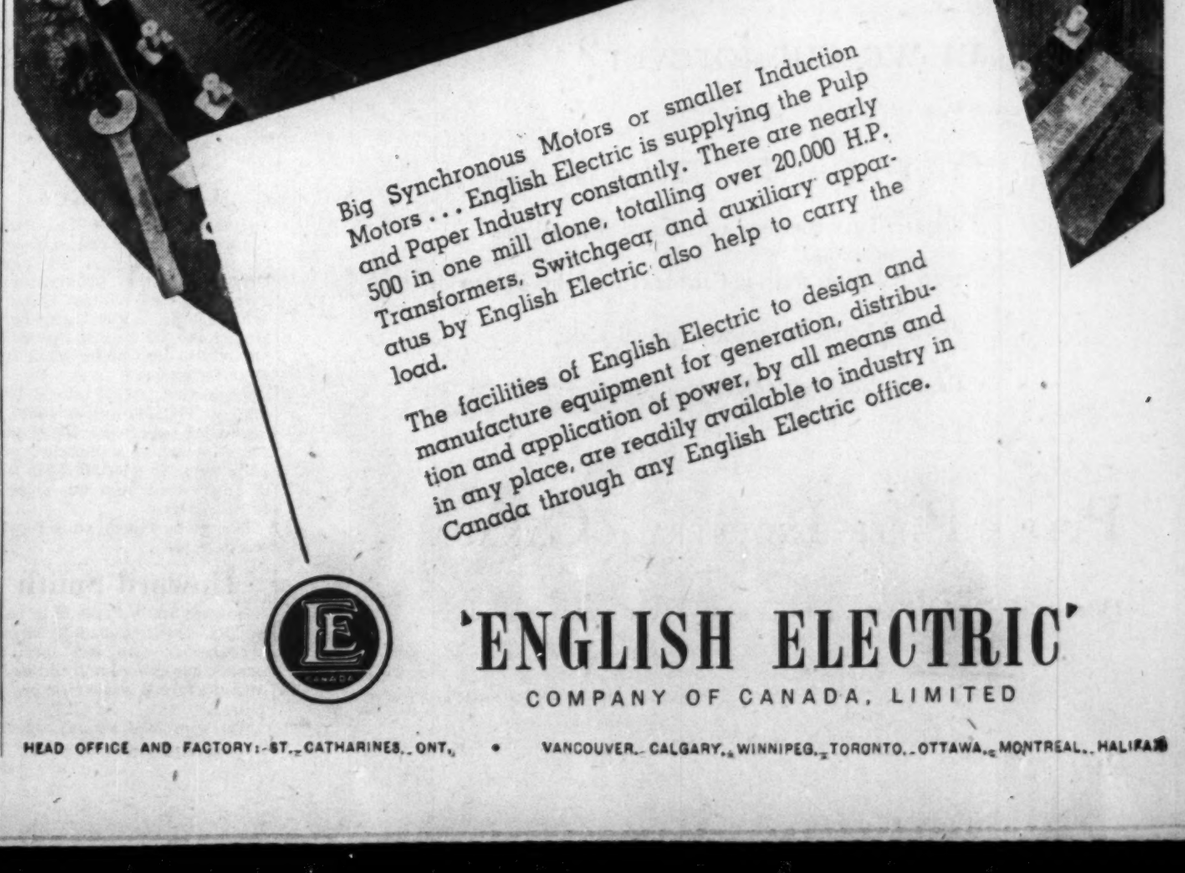

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Here Are the Wood Pulp Producers

(Continued from page 34)

first preference stock is entitled to $100 in liquidation and the second preference $54. On July 13, 1,710 of the old preferred shares were still unexchanged—1.2% of the amount outstanding at the time of the original exchange offer. These were called for redemption on Sept. 1 at $158 per share.

Col. Cellulose

Columbia Cellulose Co., a subsidiary of Celanese Corp. of America, started this year to manufacture a high alpha pulp in a new $27 million mill on Watson Island, B.C. (just south of Prince Rupert, B.C.).

Operations were commensed last April with an initial capacity of about 70,000 tons of pulp annually. Officials have already approved expenditures to increase its capacity from 200 tons to 300 tons daily. Original plans made provision for the expansion and the new development will entail only minor additions to the plant.

The mill's production of high alpha pulp is used for the manufacture of cellulose acetate textile fibres and plastics in the plants of Celanese Corp. of America. The parent company has contracted to buy the full production of the new mill up to an average of 200 tons of high alpha pulp per working day in each calendar quarter up to Sept. 30, 1969, at a price not lower than $132 per ton f.o.b. the mill. In addition, Celanese Corp. has the exclusive right to purchase any excess production but the company may sell the excess elsewhere if not required by Celanese.

While initially the pulp will be exported, much of it eventually will be shipped to a plant to be built at Edmonton by Canadian Chemical Co., another Canadian affiliate of Celanese Corp. of America, for further manufacture. This plant will produce cellulose acetate as well as petro-chemicals.

B. C. Government has made available to the company a sufficient forest area to maintain the anticipated pulp mill capacity in perpetuity. The tract, north of the mill location, was the first forest management license of its kind to be granted by the government. Forest area is ranged along the Skeena and Naas watersheds with 50% of the growth hemlock trees.

Capitalization outstanding consisted of $5 million first mortgage serial 3½% bonds due July 2, 1951, to 1958 ($625,000 a year); $10 million first mortgage 4½% bonds due July 2, 1965; $5 million general mortgage 5% bonds due July 2, 1968; 60,000 5% preferred shares, par $100, and 65,000 common shares, par $100. Celanese Corp. of America subscribed for all the preferred shares and all the common shares.

Consolidated

Besides newsprint, kraft paper and other products, Consolidated Paper Corp. produces a substantial amount of kraft and sulphite pulp for sale, over and above the needs of its own paper machines.

As of August 1950, total annual capacity for producing pulp for sale totalled 19,341 tons of kraft and 41,752 tons of sulphite. The surplus kraft pulp capacity, 63 tons daily, is located in the company's Wayagamack Division. The Laurentide Division at Grand-'mere had a daily capacity of 59 tons, and the Port Alfred Division at Port Alfred a daily capacity of 77 tons, of sulphite pulp.

Earlier this year, the company stated that demand for all products indicated full production for 1951.

Canadian International

Canadian International Paper Co. produces large amounts of sulphite pulp for sale. Its plants have a total annual capacity of 254,925 tons of bleached and unbleached sulphite.

The Kipawa sulphite mill, at Temiskaming, Que., is equipped with three pulp drying machines, has a total daily capacity of about 367 tons of high grade bleached sulphite pulp (113,400 tons annually on a 309-day basis). This is sold as a raw material for manufacturing rayon, Cellophane, plastics and allied products. A $500,000 plant to produce a new grade of dissolving pulp is reported to be under construction.

Its Hawkesbury sulphite mill, at Hawkesbury, Ont., is equipped with three pulp drying machines with a total daily capacity of about 190 tons of high grade bleached sulphite pulp (58,710 tons annually on a 309-day basis). When required, production of this mill can be shifted to paper grade pulp, on which basis the machines have a daily capacity of about 224 tons.

At the Gatineau Mills, about five miles below Ottawa, there is a present daily capacity of 200 tons of bleached pulp (61,800 tons on a 309-day basis).

Some bleached sulphite is used by paper mills of the parent company in the Northern U. S. Of the outside sales, all are made under contract. About 70% goes to the U. S.

Canadian International Paper is controlled by International Paper Co. In the parent company's report on 1950 operations, it was stated that production of dissolving and other sulphite pulps in Canada last year totaled 238,620 tons, against 183,593 in 1949 and 215,444 in 1940.

Donnacona

Donnacona Paper Co., besides its large newsprint and insulating board operations, produces a substantial amount of sulphite pulp for sale. Total sulphite capacity at its Donnacona, Que., mill amounts to 50,000 tons annually, of which 30,000 tons is surplus pulp for sale. About 55% of the sulphite available for sale is sold in the U. S.

Production of Donnacona in 1950 amounted to 155,804 tons, against 149,233 the previous year. The extraordinary demand for unbleached sulphite during the latter part of the year, it was stated in the annual report, issued in February, resulted in increased earnings from this source over 1949.

While the demand for sulphite pulp is likely to continue throughout 1951, it was noted, it is possible that, due to a world shortage of raw materials essential to the manufacture of sulphite pulp, the mill may be forced to curtail production below the present level.

Edmonton P & P

Edmonton Pulp & Paper Mills Ltd. was formed early in 1950. The original plan was to construct a 200-ton daily capacity newsprint mill, on the North Saskatchewan River on the outskirts of Edmonton close to the Imperial Oil refinery. The company expected to purchase the chemical pulp needed for newsprint manufacture for the first few months of operations and then erect its own chemical plant later.

Then, earlier this year, President R. O. Sweezey reported that plans had been changed so as to include construction of a dissolving pulp mill, in addition to the newsprint operation.

Now, he reports, it has been decided to make the project a groundwood pulp producing operation, to include a mill of about 250 tons daily capacity. No indication has been given as to when construction might start.

Fraser Cos.

Fraser Cos., in addition to its large paper and paperboard operations, produces a substantial amount of pulp for sale, both directly and through one of its subsidiaries.

At Edmundston, as at the end of 1949, the company had a daily capacity for producing 125 tons of bleached sulphate pulp, of which 50% was for sale. At the Atholville, N.B., plant of its wholly owned subsidiary Restigouche Co., 190 to 250 tons of bleached sulphite pulp for use in paper making and dissolving pulp for manufactured rayon, Cellophane film and other products, are manufactured daily.

In 1950, all plants of Fraser Cos. operated at capacity except for the one producing groundwood specialty papers, which operated at slightly under normal capacity for the first half of the year. Demand for all products exceeded capacity to produce for the last five months of the year. A major factor contributing to a 52.3% boost in consolidated net profit for 1950 over 1949 was the company's new 140-ton daily capacity unbleached sulphate pulp mill at Newcastle, which went into operation in Dec. 1949. Much of the output of this plant is shipped to Edmundston for bleaching but some is also sold in unbleached form. The new bleaching plant at Edmundston went into operation in late 1949.

Gaspesia

Gaspesia Sulphite Co., a wholly owned subsidiary of Anglo-Newfoundland Development Co., produces a high-grade, unbleached sulphite pulp designed to meet U. S. market requirements. Annual capacity of its Chandler, Que. mill is 63,000 tons.

In 1950, demand for unbleached sulphite remained steady after the first quarter and, except for about ten days when the mill was shut down to permit installation of a vacuum cylinder on the dryer machine, production was 100% of capacity. The price of unbleached sulphite, $100 per air dry ton delivered to U. S. customers during the latter part of 1949, remained unchanged until July 1, when it was boosted to $107. On October 1 it was raised to $117 per ton. Steady demand, plus improved prices, resulted in a marked improvement in earnings, despite increased costs of production. Net profit for the year totalled $368,-871, against a 1949 deficit of $195,274.

This year, both earnings and net profit are expected to be up from 1950, due to increased production and higher pulp prices. Due to improved efficiency of capacity, the company reports, production this year is showing an increase of about 40% over 1950.

During 1950, various improvements carried out in the mill cost a total of about $350,000. They included installation of a vacuum cylinder on the dryer machine, installation of two Dillon chip screens, replacement of part of the roof of the mill building, etc. Currently, improvements are being carried out by replacement of and alterations to old equipment.

Capitalization of Gaspesia, as at Dec. 31, 1950, consisted of 320,000 authorized, 310,000 issued and outstanding, $5 par common shares. All the outstanding shares were held by Anglo-Newfoundland Development Co.

Great Lakes

Great Lakes Paper Co. manufactures newsprint and unbleached sulphite pulp at its plant located on the Kaministiquia River near Fort William, Ont.

Annual production capacity is around 140,000 tons of newsprint plus 48,000 tons of bleached sulphite for export.

Production in 1950 totaled 140,-873 tons (142,745 tons in 1949) of newsprint paper and 46,238 tons (26,468 tons) of unbleached sulphite pulp. In addition 3,258 tons of other wood pulp was shipped to customers.

For main report on company see page 55.

Howard Smith

Howard Smith Paper Mills Ltd., besides being Canada's largest producer of fine and specialty papers, has extensive facilities for manufacturing various types of pulps.

The combined annual capacity

(Continued on page 37)

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St. Lawrence Paper Mills Company Limited, Three Rivers, Que.

Lake St. John Power & Paper Company Limited, Dolbeau, Que.

Brompton Pulp & Paper Company Limited, East Angus, Que. Red Rock & Nipigon, Ont.

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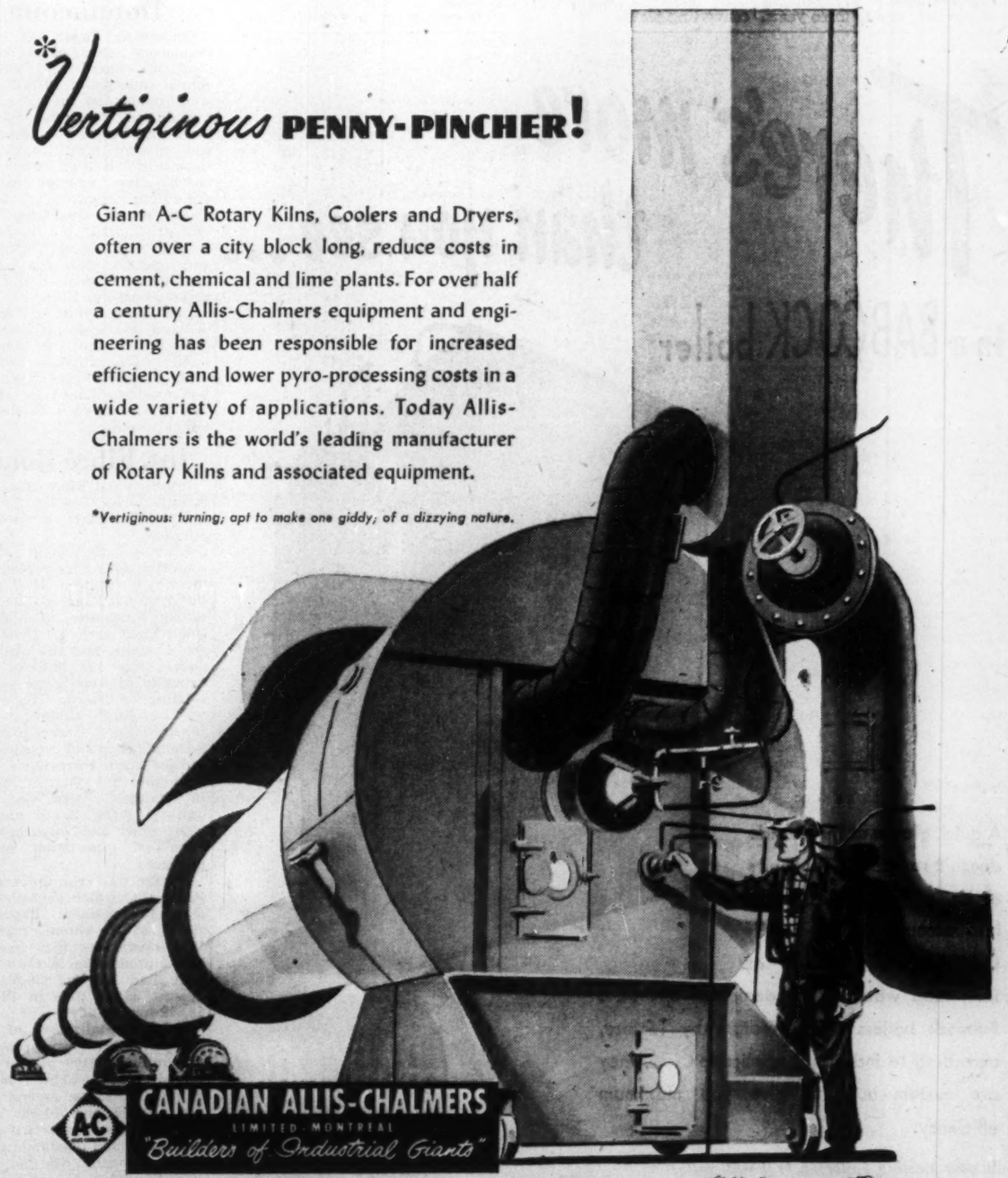
*Vertiginous: turning; apt to make one giddy; of a dizzying nature.



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Here Are the Wood Pulp Producers

(Continued from page 36)

of all plants owned or controlled by the company includes 142,400 tons of bond and ledger papers, bristol boards, offset paper, book and litho, blotting, toilet and tissue, kraft and wrapping paper, and specialties; 90,000 tons of bleached sulphite pulp; 50,000 tons of bleached soda pulp; 60,000 tons of bleached and unbleached kraft pulp; 20,100 tons of bleached and unbleached groundwood; 1,540 tons of flax pulp; 82,000 lbs. of vanillin; 350 million paper bags; and nine million flour sacks.

There are at present in operation a total of eight paper mills, with 16 paper machines, four chemical pulp mills, two groundwood mills, one electrolytic bleach plant, two bag factories and converting plants, one coating mill and 14 jobbing houses.

The plants of the Beauharnois Co., Cornwall and Crabtree Mills divisions are owned directly by Howard Smith Paper Mills Ltd.; those of the Windsor Mills division through Canada Paper Co.; those of the Merritton, Georgetown and Toronto divisions through Alliance Paper Mills Ltd.; and the Ville LaSalle, Montreal, plant through the Arborite Co.

Last year, pulp production was up 16.7% over 1949, while paper tonnages show an 8.5% increase. These production records, it was stated, are chiefly the fruits of recent capital expenditures at the various mills, while dollar value increased sharply due partly to price increases on most products during the year.

Recently, the company stated that a program has been authorized for the construction at Crabtree Mills of a new kraft pulp mill and a new paper machine; also at Ville LaSalle, Que., an extension to the Arborite plant. This program will involve an expenditure of about $14 millions over the next two to three years.

K. V. P.

The KVP Co. Ltd., a subsidiary of the Kalamazoo Vegetable Parchment Co., Parchment, Mich., produces bleached, semibleached and unbleached sulphate and groundwood pulp in its mills at Espanola, Ont. Paper production includes wrappings, bag stock, waxings, coating, hanging, specialties and a small amount of newsprint.

The bleached kraft pulp mill was originally designed for a capacity of 200 tons per day but equipment and operating improvements have increased this. Groundwood pulp capacity is 65 tons per day.

Most of the sulphate pulp production is exported to the Kalamazoo Vegetable Parchment Co. A portion is shipped to various consumers in the United States and Canada, and some is used by the two paper machines operated at Espanola.

The parent company bought the Espanola property of Abitibi Power & Paper Co. in 1943 for $1 million. It began to build a bleached sulphate mill in the same year, developed additional water power—built an electrolytic plant for the manufacture of chlorine and caustic, and carried out other improvements. Then a converting business was set up to provide Canadian distribution for company products.

Total investment in the Espanola properties since they were taken over exceeds $13 millions.

In 1945 the parent company bought all the common stock of Appleford Paper Products., Hamilton, Ont. (There is a 10% minority interest in the KVP Co.). Appleford Paper Products obtains from Espanola a large part of the paper it uses to make sales books, milk bottle caps, bags, pie plates, printed papers of different kinds, etc.

The company holds licences on 5,077 square miles of crown lands with another 630 square miles held under option. About 180,000 cords of pulpwood are required annually; of this, 12,000 cords are used for groundwood pulp manufacture, the balance for sulphate pulp. Sustained yield management of timber properties allows cutting of about 125,000 cords annually, the remainder of requirements being bought from outside cuttings.

Chemical losses were reduced to very low levels following efforts to increase chemical recovery. Study done on reducing fibre losses also yielded "gratifying results."

Capital expenditures of more than $1 million have been scheduled for 1951. This includes further work on the paper machines, with installation of Swedish drying equipment for the pulp-drying machine, extension to the mill stores and laboratory area, transformer equipment to enable the company to purchase further power from the Ontario Hydro, building of all-weather roads in the woods operations, together with dams and river improvement work and additional mechanized logging equipment.

The company owns the Espanola townsite, and houses are rented to employees. Additional houses have been built during the current year and more are under construction. A new high school was nearly complete, recently, and a start has been made on a new curling rink.

Lake St. John

Lake St. John Power & Paper Co., controlled by St. Lawrence Corp., has a present sulphite pulp capacity of 30,000 tons annually, in addition to its larger newsprint operations. The company's mill is located at Dolbeau, on the Mistassini River just north of Lake St. John, Que. Equipment for packing and shipping unbleached sulphite pulp was installed back in 1937.

Last year, production of sulphite rose to 15,563 tons from 5,183 tons in 1949. Newsprint production was also higher and total net sales climbed to $10,421,253 ($9,262,720).

Earnings from pulp sales have been playing an important role this year in keeping Lake St. John's net profits on the increase. In May, commenting on a first quarter 1951 net profit up 26.8% from the same period of last year, the company stated that earnings reflected the current demand for unbleached sulphite pulp and the corresponding increase in its sales price. "As this company has a considerable surplus of unbleached sulphite for sale," it was stated, "it has been able to take advantage of this market. Earnings from this source have been more than sufficient to compensate for the higher costs of newsprint."

For the first six months of this year, net profit was up 30.1% at $1,287,076. President J. I. Rankin of St. Lawrence Corp. stated, however, that earnings from newsprint for the St. Lawrence group of companies had been sharply reduced.

Lake St. John Power & Paper is a direct subsidiary of St. Lawrence Paper Mills Co., which is, in turn, a subsidiary of St. Lawrence Corp.

LongLac

LongLac Pulp & Paper Co. is a wholly owned subsidiary of Kimberly-Clark Corp., Neenah, Wisconsin. It operates a sulphate pulp mill at Terrace Bay, Ont., on the north shore of Lake Superior. The plant was constructed in 1947 and began operations in November of 1948. Its construction was the largest undertaking of the parent company in 20 years.

The mill, on the Aguasabon River, has a daily capacity of 300 tons of bleached sulphate pulp which is shipped to the U. S. mills of Kimberly-Clark Corp. The mill was built at the southern end of a water system down which logs are floated from timber limits centred at LongLac, some 80 miles to the north, where the company's woodlands department offices are located. Prior to construction of the mill, logs were carried by water to Green Bay, Wis., where they were distributed to various Kimberly-Clark mills. The mill now converts pulp logs to sulphate pulp which is shipped in the same way.

Power is supplied by the Ontario Hydro-Electric Power Commission which has a 55,000 hp generator on the Aguasabon River, three miles west of the townsite, on the shore of Lake Superior.

Raw materials are obtained from timberlands formerly under lease to Pulpwood Supply Co. and from enlarged timber concessions, all of which are now under lease to LongLac and are expected to be a continuing source of supply.

The company is building 35 houses at Terrace Bay this year for employees, making a total of more than 260 houses it has erected there. A hospital built by the company will be opened this year.

H. R. MacMillan

The H. R. MacMillan Export Co., Vancouver, is engaged in pulp manufacturing and merchandising as well as logging, sawmilling, and plywood manufacture. It is one of the largest manufacturers of timber products in the world.

Its pulp division has a property about four miles southeast of Nanaimo, B.C., where a sulphate pulp mill was erected and brought into production in 1950 at an approximate cost of $19 millions. This mill converts waste wood from the company's other production into kraft pulp. Production was commenced at the rate of 250 tons a day of unbleached sulphate pulp. A pulp bleaching unit with capacity of 225 tons a day started operating about the middle of last April.

The company this spring announced it would build a $16 million extension to the Nanaimo sulphate pulp mill which will substantially increase output. The completion date is uncertain but it will not be much before the middle of 1953 in view of the uncertainty for delivery dates of materials and equipment, The Post is told.

Directors have approved a merger with Bloedel, Stewart & Welch, Ltd. to form a new company to be known as MacMillan & Bloedel, Ltd.

No further public announcement has been made in regard to the merger since last April. However, both companies continue to be busily engaged in the working out of the procedure and dealing with the various problems that must necessarily arise in the case of a merger of this importance. Meetings with shareholders have not yet been called.

H. R. MacMillan Export's consolidated net profit from all its operations was $7,412,381 in the year ended Sept. 30, 1951. This compares with $5,771,605 the year before and $8,484,839 the year before that.

Marathon

Marathon Paper Mills of Canada operates a 330-ton per day high grade bleached sulphate pulp mill at Marathon, Ont. Controlling interest in the company is held by Marathon Corp., Rothschild, Wis.

The first digester blow of unbleached sulphate pulp was made Sept. 20, 1946, and the bleaching plant went into operation in November of that year. The plant was set up to give Marathon Corp.'s paper mills and converting plants in the U. S. a dependable source of high quality sulphate pulp for use in manufacturing paper and paperboard for food packaging, in which line Marathon Corp. is a leading producer.

Pulp is shipped by rail and water to the parent company's mills at Rothschild, Menasha and Ashland, Wis., Menominee, Mich., and Oswego, New York. Currently 30% of the output is also shipped to the Canadian and U. S. markets.

Wood supply is obtained from the company's Pic River and Algoma Township concession, an area of approximately 2,700 sq. miles.

Over the past six years, the company has completed a townsite at Marathon, Ont., with a population of some 2,500. In the past, communications with the town were by rail, water and air but the Provincial Government last year started work on a highway between Marathon and Terrace Bay which would give Marathon access by road to the Lakehead. Construction is continuing but there is still a gap of 30 miles.

Power for the marathon project is supplied by a 20,115 hp steam generating plant erected by the company.

Total investment in the Marathon project was $33 millions. There is no public investment in the company, as Marathon Corp. holds the entire capital stock.

Considerable expansion is under way at Marathon this year, including a chlorine plant, a ship for water transport of raw materials and finished product, the additions to the evaporator and steam generating plants. The complete program is expected to total close to $5 millions over the next two years and will result in what the company terms "unusual" operating economies.

Minas Basin

Minas Basin Pulp & Power Co. manufactures high-grade groundwood pulp and paperboard at Hantsport, N.S. Its groundwood mill has a daily capacity of 90 air dry tons of groundwood pulp and its paperboard mill a daily capacity of about 50 tons of paper.

(Continued on page 39)

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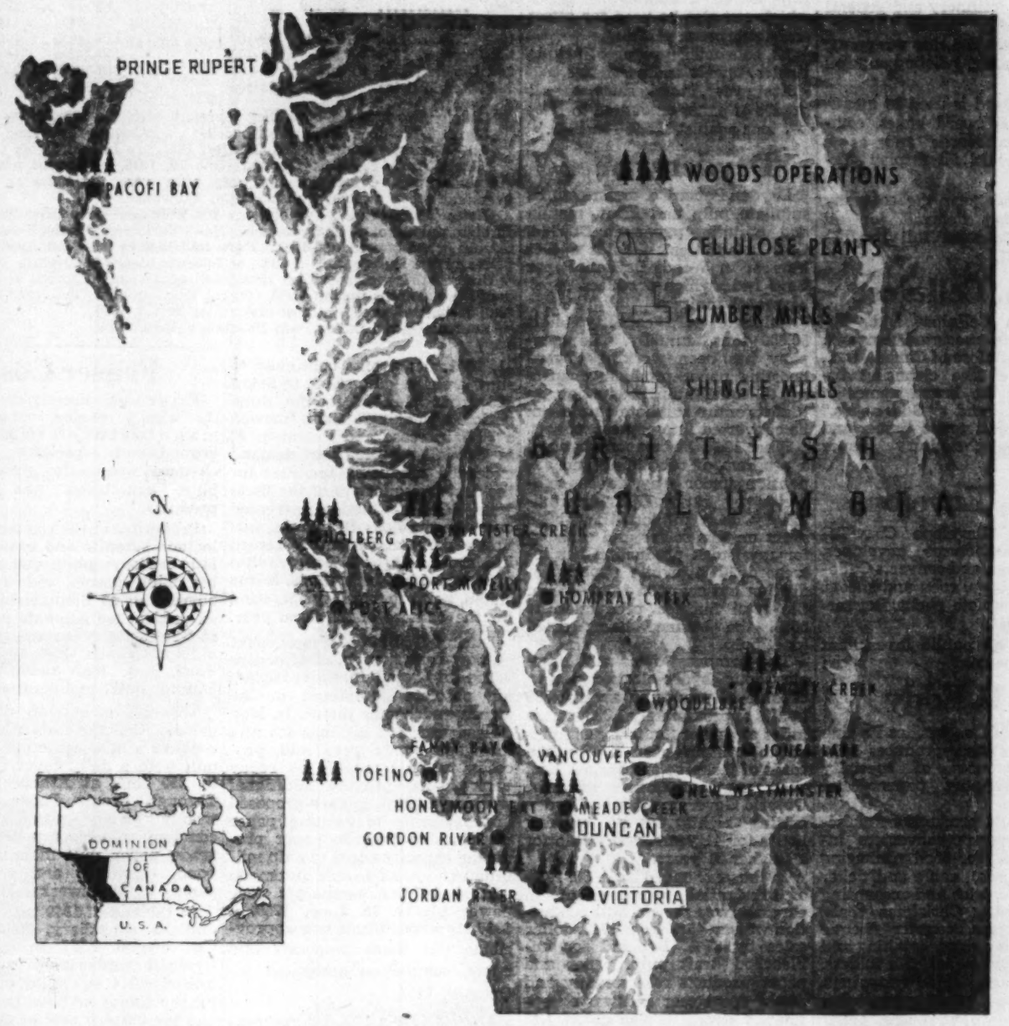

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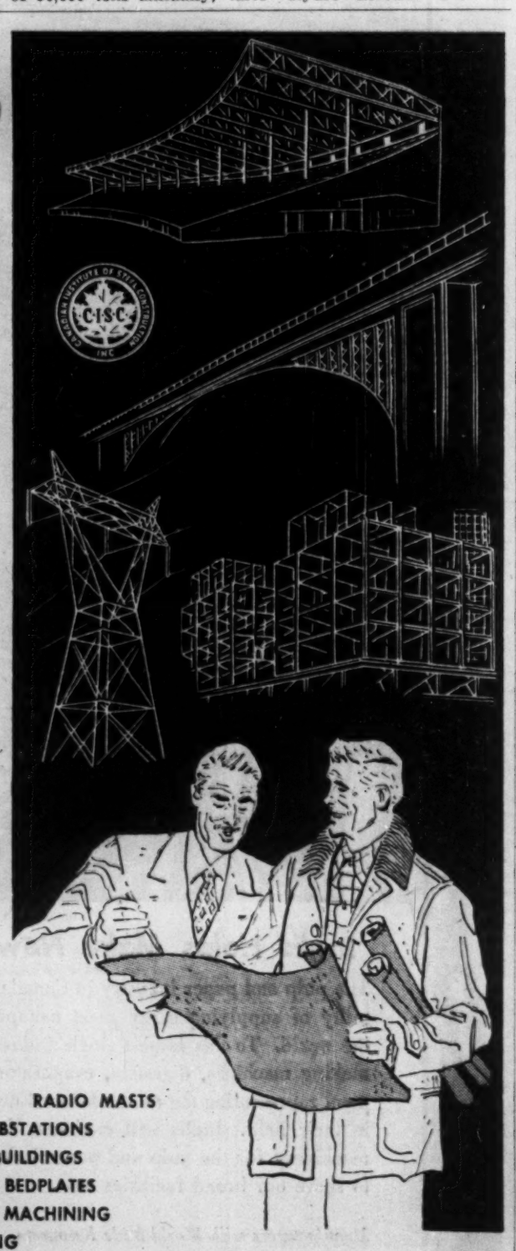

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Published by the Provincial Publicity Bureau

Many Companies Expand Output of Specialty Papers

(Continued from page 32)

agamack Pure Kraft, kraft paper towels under the name "Hypro," and cardboard under the trade name "Laurentide Board."

Its kraft wrapping paper is used for all wrapping purposes, tags, office folders, binders, envelopes, office forms, gumming, waxing and creping for various purposes. It is also used in manufacturing bags for cement, rock products, flour, sugar, bags used in clothing, millinery and general merchandising; tissue papers, white and colored, for wrapping, creping, waxing, twisting and foil backing.

Its cardboard is used in manufacturing cardboard boxes, composition wallboards and as a mounting board for display purposes.

Earlier this year the company reported that demand for all products indicated full production for 1951.

Dom. Cellulose

Dominion Cellulose Ltd., Toronto, and its associated company, National Cellulose of Canada Ltd., manufacture face cleansing tissues under the brand names of "Face-Elle" and "Gibson's," "Nancy" brand toilet tissue, and miscellaneous sanitary paper products.

Dom. Envelope

Dominion Envelope Co., Toronto, manufactures envelopes, specialty bags, and converts Cellophane into bags, rolls and sheets. It has a complete packaging service.

There is no public investment in the company.

E. B. Eddy

E. B. Eddy Co., besides its fine paper operations, produces substantial amounts of specialty papers, wrapping papers and paperboard.

Some of its products manufactured for paper converters include boxes (for food packaging and other uses), cable and ticker tape, cash register and accounting machine rolls, Christmas seals, cigarette tubes, counter cheque books, display signs, drinking and cake cups, envelopes, file folders, grocery bags, gift wrappings, gummed tape, paper cores, tubes and lamp bulb wrappers, paper doilies and place mats, plastic and clay coated papers, postage and revenue stamps, soda straws, tickets for milk, bread, theatres, etc., tobacco wrappers, wallpaper, waxpaper, wrapping for explosives, writing pads.

Its specialty papers include Wellington Offset, for letterpress printing or offset lithography; Tecumseh Bristol for display cards, tickets, etc.; Post Card Bristol, for post cards; Guardian Index Bristol, for file and index cards, etc.; Mohawk Bristol, for tags, tickets, display material, booklet covers, etc.; Multiscrip Duplicating, for office duplicating machines; and Multicopy Wove Duplicating, a duplicating paper which can also be used for offset and letterpress printing.

Its consumer products include tissues, towels and serviettes.

Last year, total sales of all grades of paper amounted to 123,887 tons against 125,964 in 1949.

Dryden Paper

Dryden Paper Co. manufactures sulphate pulp and kraft, manila and building paper at Dryden, Ont. In addition, it holds a 40% interest in Woods-Dryden Paper Bags Ltd., which produces paper bags at Winnipeg.

Sulphate pulp capacity totals 50,000 tons annually. The company has been working toward boosting paper producing capacity to equal pulp production, so that its entire sulphate output can be converted into paper products.

Since 1945 the company has had a program of rebuilding and expansion under way, to be completed by early 1952. Approximately $4.5 millions has been spent on this so far and capacity for raw stock production has increased 107%, while paper production has changed from 45% of the total finished production to 80%, the balance being dried kraft pulp.

The company owns and operates four hydro-electric plants, capable of producing about 5,500 hp. Its approximately 1,300 square miles of timber limits are estimated to contain over six million cords of jackpine and spruce. Last year, new agreements with the Ontario Government gave Dryden cutting rights on its existing limits for 41 years, renewable for a further 21 years.

In the year ended Sept. 30, 1950, a substantial improvement in earnings was shown. Mill production was up 45% from 1949, dollar sales by 37%. Demand for unbleached kraft pulp, paper and paper products rose steadily and at the fiscal year end was exceptionally strong, it was stated. Net profit at $450,432, almost tripled the previous year's $155,627. Net per common share totaled $2.47 (86c.).

In the six months ended March 31, 1951, net profits continued to show a sharp gain, rising to $445,828 from $142,877 in the same period a year ago. Sales showed a 50% increase and President E. L. Goodall reported that demand exceeded producing facilities for the first two quarters of the fiscal year. Mill production increased over the previous 12 months, hitting a daily and monthly record in March, 1951, of 20% above that of March, 1950. Indications, it was stated, point to capacity operation for the balance of the fiscal year.

During 1950 $316,239 was spent on new construction, most of this going into rebuilding and replacing obsolete equipment in the screen and beater rooms. In May of last year, $1.5 millions 4% first mortgage bonds were sold, proceeds to be available to repay bank loans, provide additional working capital, finance proposed improvements to existing paper machines to provide paper producing capacity equal to pulp mill production, and install automatic control in the company's four power plants. In June, 1950, a $935,118 expenditure was approved to put these proposals into effect, completion scheduled for October, 1951.

During 1950 a 12% interest was acquired in Ormiston Mining & Smelting Co., producing salt cake, a raw material vital to the kraft pulp industry.

The Newsprint and Pulp Price Record

Year	NEWSPRINT (N.Y.) $	GROUNDWOOD PULP No. 1 Canadian $	GROUNDWOOD PULP Scandinavian (dry) $	SODA PULP Dom. No. 1 Bleached $	SULPHITE PULP—Bleached Dom. No. 1 Book $	SULPHITE PULP—Bleached Foreign Prime $	SULPHITE PULP—Unbleached Dom. No. 1 Book $	SULPHITE PULP—Unbleached Foreign Extra Strong $	SULPHATE PULP—Bleached Dom. Northern $	SULPHATE PULP—Bleached Foreign Prime $	SULPHATE PULP—Unbleached Dom. No. 1 $	SULPHATE PULP—Unbleached Swedish $
1939	50	21-32	21½-42	‡51	‡50-54	45-60	‡40-45	34-50		50-70	35-45	26-43
1940	50	31-35	40-50	‡58-66	‡60-72½	60-85	‡50-67½	52-75	65-85	70-95	45-70	45-75
1941	50	31-33		‡66	‡72½	80-90	‡63½	70-75	85-90	90-100	70-75	75-80
1942*	50	45-46		66	72½-76		63½-66		86		73	
1943*	50-58	46		66	76		66		86		73	
1944*	58	46-50		66-72	76-86		66-74		86		73	
1945*	58-61	50		76	86	86	74	74	86	86	73	73
1946*	67-84	50-64		76-93½	86-107½	86-107½	74-94	82-94	97-107½	94-107½	73-89	73-89
1946 (Dec.)	84	§70-80		105-110	105-115	115-165	85-95	95-133	100-110	110-120	80-95	90-95
1947	84-90	§75-85	107½-110	110-125	115-125	120-185	105-115	120-165	110-135	125-185	95-125	89-145
1948	96-100	§80-85		130-135	126-135	165-195	125-130	140-165	155-185	165-190	120-135	127½-147½
1949	100	§60-80		113-130	118-126	118-130	100-130	100-140	122-147½	125-165	82½-125	82½-127½
1950	100-106	65-100		113-142½	118-165	118-179	100-150	100-157	118-200	125-180	82½-155	82½-165
1st Quarter, 1951	106	85-100		140-142½	135-165	175	132½-150	153-$165	135-200	180-$187	147½-155	153-185
2nd Quarter, 1951	106	95-100		140-142½	135-145	250-290	132½-150	225-265	135-175	255-315	145-175	225-295
3rd Q'ter, 1951 (a)	116	95-100		140	140	225	132½	200	145	230	132½	200

‡Where two prices shown, they represent high and low for the period. Prices are in dollars per air dry ton (2,000 lbs.).
†Quoted "ex-dock Atlantic seaboard." §Quoted "delivered."
(a)—Domestic prices in 3rd Quarter, 1951, are United States OPS ceiling prices.
*From April 20, 1942, through Nov. 10, 1946, maximum prices for wood pulp and newsprint in the U. S. were fixed by the Office of Price Administration. Prices for European pulp were the same as the OPA maximum prices for domestic and Canadian pulp, plus freight charges over and above a fixed transportation allowance.
Note: There were no quotations for European pulp after September, 1941. Resumption of imports from Europe began in July, 1945. Prices for foreign pulp are quoted "ex-dock New York" or "ex-dock Atlantic seaboard" (except under OPA). Freight charges normally add $5-$10 a ton to pulp prices quoted "ex-dock." From mid-1949 to mid-1950, foreign pulp was quoted "full freight allowed." Finnish prices differed from Swedish prices in the 2nd quarter of 1951, as follows: bleached sulphite, 225; unbleached sulphite, 200; and unbleached sulphate, 200.
Unless otherwise specified, domestic and Canadian prices are quoted "f.o.b. pulp mill' (with varying maximum freight allowances since December, 1946), except during OPA control when quoted "delivered," plus freight charges over and above specified maximum freight allowances. Quoted "full freight allowed" in most cases after July 1, 1949.
Source: United States Pulp Producers Association.

Fraser Cos.

Fraser Cos., directly or through its wholly owned subsidiaries, manufactures sulphite and groundwood specialty papers, chemical wood pulps, groundwood pulp, paperboard and lumber products.

Properties of the company itself include sulphite and groundwood pulp mills, sulphite and sulphate bleaching plants and a paperboard mill at Edmundston, N.B.; an unbleached sulphate pulp mill at Newcastle, N.B.; and two sawmills at Cabano, Que., and Plaster Rock, N.B. Both sawmills have planing mills in operation.

Through ownership of Restigouche Co. the parent concern controls a bleached sulphite pulp mill with a daily capacity of 190 to 250 tons at Atholville, N.B. Through Fraser Paper Ltd., a wholly owned subsidiary, the company controls a modern high-grade paper mill manufacturing bond, catalogue and waxing papers at Madawaska, Maine.

At the end of 1949 the company and its subsidiary, Restigouche Co., owned 1,557 sq. miles of freehold timberlands and controlled 4,014 sq. miles of Crown timber limits in New Brunswick and the eastern part of Quebec.

Most of the power for the Edmundston plant is purchased from Gatineau Power Co., the balance being generated by the company's own hydro and steam turbine plants at Edmundston. Plants of Fraser Paper Ltd. and Restigouche Co. are supplied by their own steam turbine generators.

Total capacity and production have been rising in recent years. In 1950 sales of pulp and paper products rose to 243,164 tons, up sharply from 183,770 in 1949 and topping 1948's previous record figure by 48,468 tons. A major factor in the increase, it was stated, was the new 140-ton-daily capacity unbleached sulphate pulp mill at Newcastle, which went into operation in December, 1949. Average daily production at this plant is running at greater than its designed capacity, the company reported earlier this year.

Sales of lumber products were also higher, totaling 29,438,000 ft. board measure, against 20,587,000 in 1949.

Consolidated net dollar sales climbed to $41,423,779 ($30,949,204), and net profit rose 52.3% to $4,474,633 ($2,937,237), equal to $5.71 ($3.63) per common share.

For the first half of 1951 further big gains in earnings were reported. Consolidated net profit for the six months ended June 30 totaled $3,067,844 ($4.06 a share) compared with $1,687,089 ($2.11 a share) in the first six months of last year.

During 1950 all plants of the company operated at capacity with the exception of that producing groundwood specialty papers, which operated at slightly under normal capacity for the first half of the year. Demand for all products exceeded capacity during the last five months. Market prices of almost all products manufactured increased during 1950, most becoming effective on or after July 1.

Manufacture of shingles and railway ties was discontinued due to scarcity of merchantable cedar logs.

Expenditures for additions and improvements to plants and property totaled $1,479,543.

Working capital, at the year end, totalled $7,831,219 ($6,845,447 a year earlier).

Interlake Tissue

Interlake Tissue Mills Co. manufactures a wide range of paper specialty products at its Merritton, Ont., plant. These include paper napkins, towels and allied products. Plant and equipment improvement carried on over the past four years has enabled the company to substantially increase production above the former level.

Interlake is a privately owned company and does not make public details of its financial resources. Capitalization stands at $625,000 in shares of $100 par value.

Kimberly-Clark

Kimberly-Clark Corp. of Canada, a wholly owned subsidiary of Kimberly-Clark Corp., Neenah, Wis., operates a cellulose wadding mill on the Kapuskasing River in Northern Ontario.

Operations started in 1945. One machine of 120 ins. trim and a 30-ton daily capacity was operating until February 1951 when a second creped wadding machine began production about three months in advance of its scheduled completion. This increase in wadding tonnage permits its customer, Canadian Cellucotton Products Co., to double its converting operations, and hence its output. Current requirements of Canadian Cellucotton Products Co. necessitate full operation of the expanded facilities, it was stated in the parent company's annual report for the year ended April 30, 1951.

The expansion program cost about $1,900,000 or about $300,000 less than originally estimated. The project was financed by available funds augmented by an advance from LongLac Pulp & Paper Co. There was no outside borrowing.

Earnings during the past year were satisfactory and operations were at capacity.

The parent company's annual report consolidated the activities of Kimberly-Clark Corp. of Canada and LongLac Pulp & Paper Co. As at April 30, 1951, these two companies had current assets of $10,625,896, current liabilities of $3,350,136 and consolidated surplus of $3,107,000. These figures have been converted to U. S. dollars on the basis set out in the report.

Minas Basin

Minas Basin Pulp & Power Co., besides its groundwood pulp operations, has capacity for producing 50 tons of paperboard daily at its Hantsport, N.S., plant.

Paperboard production was started by the company in early 1948. Results from board mill operation in 1950, while still disappointing, improved materially, it was stated in the annual report earlier this year.

Perkins Tissue

Perkins Tissue Mills Ltd. manufactures, at its plant in Montreal, a diversified line of paper products, including printed and plain wax papers, paper napkins, crepe papers, gift wrapping papers, shelf papers, serviettes, table covers and box cover papers. Products are distributed throughout Canada by large paper distributors and large chain and department stores.

Also manufactured is a comprehensive line of printed Cellophane, foil, candy wrappers, fish wrappers, confectionery papers and wax papers.

The company was originally in-

(Continued on page 43)

ATTENTION

LUMBER MILL OPERATORS
AND
PULP MILL OPERATORS

2 Machines
to Help Make Operations Profitable

★ The Asplund DEFIBRATOR

Growing acceptance of the Defibrator Method of producing pulp for hard board, insulating board, roofing felt and corrugating board from wood chips of sound logs or saw mill waste proves two points: (1) that Asplund pulp is superior for this purpose, and (2) that the process is profitable.

The Defibrator Method is a thermo-mechanical process. Fiber separation takes place at temperatures high enough to soften the ligno-cellulose material. As a result, Asplund pulp is uniform and free, with individual fibers intact but well-separated. It has good felting properties. Yield is high (90-95% by weight on a b.d. basis). Both power and maintenance costs are extremely low.

★ The Defibrator BARK-PRESS

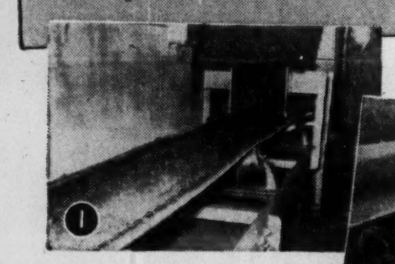
For dewatering wet bark, the Defibrator utilizes the screw-feed principle to expel water from wet bark. Compressed bark leaves the press with water content reduced to 53-55%. In this state, the bark burns easily and has approximately half the fuel value of coal.

Power requirements are low. Screw feeder is made of stainless steel to provide low maintenance costs.

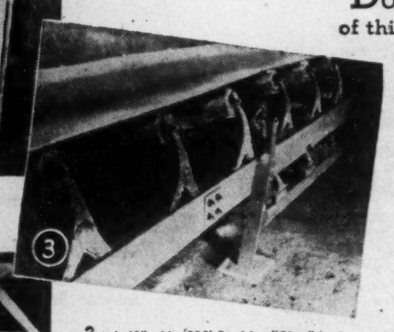
Facts and figures on these machines, and technical advice are available without obligation.

AMERICAN DEFIBRATOR, INC.
Chrysler Building — New York 17, N.Y.
A. H. LUNDBERG — West Coast Orpheum Building — Seattle, Washington

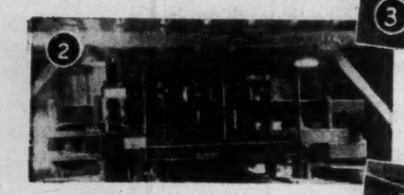
DOMINION "GIANT" BELTS INSTALLED
in GREAT NEW COLUMBIA CELLULOSE PULP PLANT



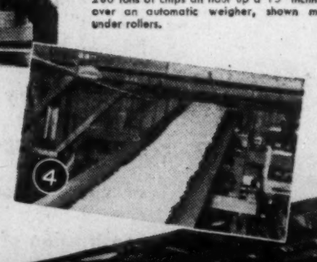
1 - 24" Dominion "Giant", 312' long, is coal conveyor transfer belt carrying fuel to powerhouse.



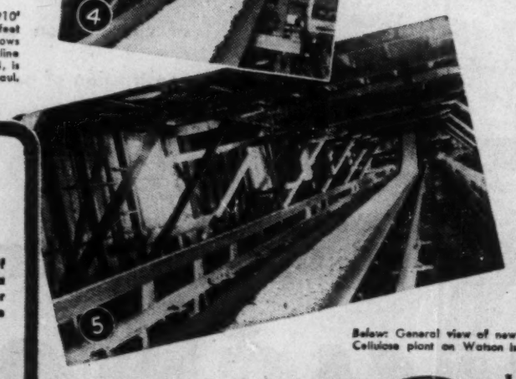
3 - A 48" wide, 235' Dominion "Giant" hauls 280 tons of chips an hour up a 15° incline, and over an automatic weigher, shown mounted under rollers.



2 - This Cross Belt conveyor, a 40' 5-ply, 42" Dominion "Giant", is track-mounted so that it can distribute chips evenly the length of the storage bin.



4 & 5 - Two views of the 3-ply, 910' Dominion "Giant" that hustles chips at 300 feet per minute up to the storage bin. 5 shows horizontal section of haul. The incline section, the top of which is shown in 4, is more than half the total length of the haul.



DOMINION RUBBER is especially proud of this job. The Columbia Cellulose plant is the most advanced of its kind in the world. Every phase of its operation was planned for streamlined efficiency. Every piece of equipment was specified because it had proved best in its field. As a result, Dominion "Giant" Belts were the obvious answer to this vast materials-haulage problem.

While your haulage problems may not be as numerous as those at Columbia Cellulose, your aim is the same: lowest possible cost-per-ton materials-handling. Dominion Rubber Belting Engineers will be glad to help you achieve this.

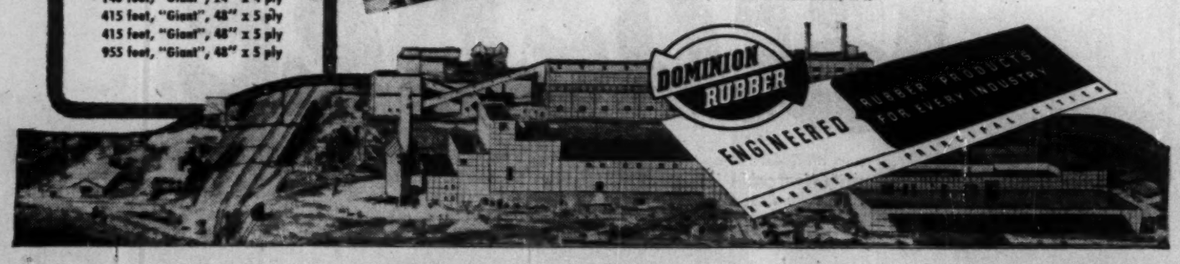
From the smallest belts used on portable conveyors to great belts for huge materials-handling jobs, more and more Dominion "Giants" are being specified. Under unusually severe conditions, Dominion "Matchless" Belts are getting the call from Canadian industry. Every Dominion Belt is engineered to deliver long, trouble-free service and lowest cost-per-ton haulage.

Among The Other Belts Supplied By DOMINION RUBBER

Space allows showing only four of the Dominion Belts at Columbia Cellulose. Among the other Dominion Belts in service are the following:—

140 feet, "Giant", 24" x 4 ply
415 feet, "Giant", 48" x 5 ply
415 feet, "Giant", 48" x 5 ply
955 feet, "Giant", 48" x 5 ply

Below: General view of new Columbia Cellulose plant on Watson Island, B.C.



Inglis Helps Make News Every Day

The pulp and paper industry in Canada shoulders the responsibility of supplying many great newspapers in many parts of the world. To this largest single industry, Inglis offers paper-making machines, digesters, evaporators and auxiliary equipment representing the most advanced designs and developments in their field. Inglis will engineer, design and build special machinery for the pulp and paper industry, and we invite you to share our broad facilities now.

Manufacturers with World-Wide Resources for all Basic Industry.

John Inglis Co. Limited, Toronto, Canada

Inglis CANADA

DISTRICT OFFICES — MONTREAL WINNIPEG CALGARY AND VANCOUVER

Here Are the Wood Pulp Producers

(Continued from page 37)
board. The company also produces lumber.

The major portion of its groundwood pulp is sold to the Scott Paper Co. in the United States; a considerable amount of lumber is also exported.

Approximately 180,000 acres of timberlands are owned and the company operates, on the St. Croix River, two power plants with a capacity of 7,100 h.p.

During 1950, Minas Basin sold at par $350,000 4½% bonds due 1979. Proceeds were used to finance additions to the Hantsport plant, to pay off the balance due on timberland purchase agreement and for other corporate purposes.

Groundwood pulp shipments in 1950 totalled 22,689 tons, up slightly from 20,401 tons in 1949. Shipments of lumber also increased, totalling 28,992,795 ft. (25,641,828 in 1949). Results from board mill operations, while still disappointing, improved materially, it was stated. Results from board mill operations continue to be most disappointing and resulted in a loss. Net profit for the year was substantially higher at $289,422 ($104,678).

Management has decided, it was stated in the annual report, that in view of the continued increase in cost of replacement of plant and equipment it should invest its surplus and depreciation funds in common stocks of Canadian corporations. During 1950, this policy resulted in substantial additions to surplus. Policy has been, it was stated, to purchase these securities to hold rather than to sell, any sales to be made only when money is needed for corporate purposes. Capital profit resulting from sale of some securities from the company's investments in 1950 totalled $50,988.

Within the next few years, large capital replacements will have to be made, the company reported.

Wholly owned subsidiaries of Minas Basin include Minas Shipping Co. Ltd., Annapolis Basin Pulp and Power Co. Ltd., Portneuf Investments Ltd. Controlled companies include Maplelea Lumber Co., Bishop Asphalt Papers Ltd., Minas Stevedoring Co. Associated companies include Canadian Keyes Fibre Co., Standard Woodworkers Ltd., Pa sboro Lumber Co., Dartmouth Lumber Co. and Annapolis Valley Canners Ltd.

North West. Pulp

North Western Pulp & Power Co. was incorporated earlier this year and has plans for construction of a 200-ton daily capacity groundwood pulp mill at Yates, Alberta, 123 miles west of Edmonton. The company hopes that financial arrangements, currently being considered, may be completed by early next spring and that construction may get under way some time in 1952. A tentative estimate of the length of time required for construction is 18 months.

It is expected that the cost of building the mill, plus any power facilities that may be required, and providing working capital, would be in the neighborhood of $10 millions.

The groundwood would be sold in the middle-west U.S., it is stated.

Under an agreement signed with the Alberta Government, the province agrees to reserve an area of pulpwood timber comprising about 2,000 sq. miles for the company's requirements of a minimum of 75,000 cords annually.

Pulpwood dues to be paid the province by the company are: white spruce, $1.35 per cord; black spruce, 45c; balsam, 30c; poplar, 45c; lodgepole pine, 55c; black pine, 55c. The company has agreed to pay the province during each year of the agreement the following minimum amounts: ground rent, $2,500; fire guarding charges, $14,000; timber area tax, $15,000; minimum royalty, $12,500.

The agreement provides that plant and equipment are to be in operation by May 1, 1954 and that the plants shall be extended to manufacture chemical or semi-chemical pulp, or both, and paper. Expansion for this purpose is to start by May 1, 1959, and shall be completed and equipment installed by May 1, 1961.

New Pacific Coal & Oils Ltd. earlier this year forwarded a letter to shareholders informing them of arrangements to acquire all the shares of North Western Pulp & Power Ltd.

New Pacific Coal & Oils has an option on the shares of North Western Pulp & Power Co. But these shares have not yet been actually acquired. The option will expire in December, 1951, Hugh Griffith, president of New Pacific, reports. Mr. Griffith is also secretary-treasurer of Kensington Industries Ltd., owned or controlled by Gerald and Harry Bronfman.

North Western has an office in Calgary and, at last report, the directors were still the provisional directors appointed on incorporation.

Ontario Paper

Ontario Paper Co., Thorold, Ont., and its wholly owned subsidiary, Quebec North Shore Paper Co. at Baie Comeau, Que., are owned by the Chicago Tribune and the New York Daily News.

The Thorold paper mill produces 585 tons of newsprint daily and the pulp sales plant has a capacity of 120 tons per day which is sold on the open market. The company also operates Beaver Co. newsprint machine using its own supplies and some of its own staff.

The Thorold mill also includes a board machine with a capacity of 15 tons per day to provide newsprint wrapper for its own use and for the Baie Comeau mill.

The Baie Comeau plant of Quebec North Shore Co. produces 500 tons of newsprint daily and the pulp sales plant has a capacity of 120 tons per day.

For main report see page 57.

Quebec P & P

Quebec Pulp and Paper Corp. discontinued pulp production in 1930 and was placed in bankruptcy Oct. 19, 1942, following a petition of the Quebec Streams Commission on a claim for $1,824,000 for arrears of water dues on the Kenogami reservoir dam.

All the company's former pulp mills and timber lands were sold to the Quebec Government in August, 1949 for $1,500,000. In November, 1949, it was authorized the preferred shareholders would receive $23 per share upon delivery of certificates.

The bankrupt estate of the corporation has not yet been wound up. Presently, reports Trustee in Bankruptcy Maurice Boulanger, "various matters are still pending that have to be settled with the Trustee and the Provincial Government before final closing of the Estate is made."

Restigouche

Restigouche Co., a wholly owned subsidiary of Fraser Companies Ltd., manufactures bleached sulphite pulp, for use in paper making, and dissolving pulp, for the manufacture of rayon yarn and staple fibre, Cellophane and other products. Daily capacity of its Atholville, N.B. mill, is 190 to 250 tons, depending on quality and grade.

During 1950, the plant operated at peak capacity, it was stated in the parent company's annual report. Demand for all products manufactured by Fraser Co. and its subsidiaries "exceeded capacity to produce" for the last five months of the year.

Operating results of Restigouche Co. are consolidated with those of the parent company. For the first six months of 1951, a consolidated net profit of $3,067,844 was shown, up 82% from the first half of 1950.

St. George

St. George Pulp & Paper Co. operates a pulp mill at St. George, N.B. Up until 1949, it confined production exclusively to mechanical pulp. At that time, however, a bleaching plant to bleach the groundwood by the sodium peroxide process—the first operation of its kind in Canada—was added.

Its mill, at the mouth of the Magaguadanic River, has a daily capacity of about 60 tons. Fire destroyed the mill in 1946 and in the reconstruction process, completed in 1948, it was enlarged and production increased about 20%. At the same time, it was completely electrified, with each machine motor driven individually, and more modern pulp machines were installed.

Virtually all the company's production is sold in the export market. Bleached groundwood is sold under the trade name "Fibrewhite." Throughout 1950, and so far in 1951, the company reported in May, the mill has been operating at capacity. A fire occurred at the mill in July but temporary repairs have been completed and all 200 men are back at work. Plans are going ahead for permanent replacements.

Expenses have increased, due both to higher wages and wood prices and equipment and material costs.

History of the St. George mill dates back to 1902, when it was established by New York interests. In 1932, control was acquired by Edouard Lacroix, St. Georges de Beauce, Que. and Senator Page of Maine, who made expensive repairs, particularly to the dam, and installed additional equipment. In 1947, Antoine Lacroix of Saint John secured Senator Page's interest.

Saint John Sulphite

Saint John Sulphite Ltd. owns and operates a pulp mill at Fairville, N.B., at the mouth of the Saint John River. Daily capacity of 130 tons of bleached sulphite pulp is now being increased to 200 tons daily.

The company has also announced plans for a new bleached kraft pulp mill of 250 tons daily capacity. This is expected to cost more than $20 millions. Legislative action in connection with the new mill was approved by the New Brunswick Legislature at its session last spring.

Timber limits include an undivided freehold interest in timberlands in the northeastern section of Maine, on the watershed of the Saint John River. This represents sole ownership of 51,345 acres of timberlands and, in addition, the company owns 68,715 acres of timberlands in Carleton and York counties, N.B., adjacent to the Saint John River. Estimates are that these areas contain 656,590 cords of spruce and balsam in addition to stands of pine, cedar and hardwood.

A 29.6% interest is held in the outstanding preferred and common shares of Allagash Land Co., owning 85,144 acres of timberland in Aroostook, Penobstot, Somerset and Piscataguis counties in Maine and containing an estimated 537,916 cords of pulpwood. Allagash, in turn, owns 15 of the 130 issued shares of Heron Lake Dam Co. Saint John's sole subsidiary is Allagash Improvement Co.

Properties in Maine include roads, bridges, dams, depots, camps and logging equipment. Log-driving facilities owned include holding grounds, sorting gap, piers, booms and riparian rights on the Saint John River at Van Buren and Keezan, Maine and Lincoln, N.B.

Financial and operating statements are not submitted for publication.

Howe Sound

The unbleached kraft pulp mill at Port Mellon, B.C., formerly operated by Sorg Pulp Co., wholly owned subsidiary of Sorg Paper Co., Middletown, Ohio, was purchased early this year by a new group and is being operated as Howe Sound Pulp Co. Some $6 millions is being spent by the new group on complete modernization of the mill.

The new group consists of Canadian Forest Products together with associated groups.

The Port Mellon mill went into operation again last May after being shut down by its former owners. Management is aiming at a production of 175 tons of kraft pulp by next year and ultimately to produce 350 tons of bleached kraft pulp.

COMPANY REPORTS

NATIONAL STEEL CAR CORP., Hamilton, Ont., net profit of $1,335,185 for the year ended June 30, 1951, was down slightly from the previous year's net of $1,348,351 due to higher provision for income taxes.

The company has enjoyed a satisfactory share of the large orders placed by Canadian railroads for delivery of diversified types of freight and other equipment, Chairman H. N. Baird says. The increase in inventory figures is explainable by a substantial increase of orders on hand, he says.

During the year, directors concluded that the subsidiary, Valdes Lumber Co., has served its purpose and accordingly its assets were disposed of at a profit and the winding up of that company is now nearing completion.

INCOME ACCOUNT

Years Ended June 30:	1951	▲1950
Net earnings	$2,859,027	$2,488,669
Less: Depr. & depl.	208,842	258,818
Income tax res.	1,315,000	879,700
Net profit	1,335,185	1,348,351
Less: Divds.	1,404,000	1,404,000
Deficit for year	68,815	55,649

▲Consolidated accounts, incl. Valdes Lumber Co.

Earnings per Share and Dividend Record:		
Common	$1.90	$1.92
Paid	1.50+0.50	1.50+0.50

CONDENSED BALANCE SHEET

As at June 30:	1951	▲1950
Cash	$24,617	$421,879
Mkt. secs.*	6,371,500	6,335,432
Short-term secs.	1,493,539	1,492,111
Accts. rec.	3,668,679	1,613,738
Life ins., c.s.v.	79,821	68,074
Inventories	5,882,756	2,252,996
Total curr. assets	19,521,012	12,184,236
Prepo. exps., etc.▲	67,119	225,698
Fixed assets‡	2,566,245	2,537,876
Total assets	22,154,376	14,947,810
Bank adv.	2,140,981	
Accts., etc., pay.	5,497,982	1,319,011
Taxes pay.	1,258,180	302,751
Divd. pay.	263,250	263,250
Total curr. liab.	9,160,583	1,885,012
Capital stock	5,092,560	5,092,560
Surplus	7,901,483	7,970,298
‡After depr. of	6,941,446	6,735,034
*Mkt. value	6,136,250	6,336,875
▲Incl. ref. EPT		175,853

▲Consolidated accounts, incl. Valdes Lumber Co.

Working capital	10,360,619	10,299,224

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groundwood pulp
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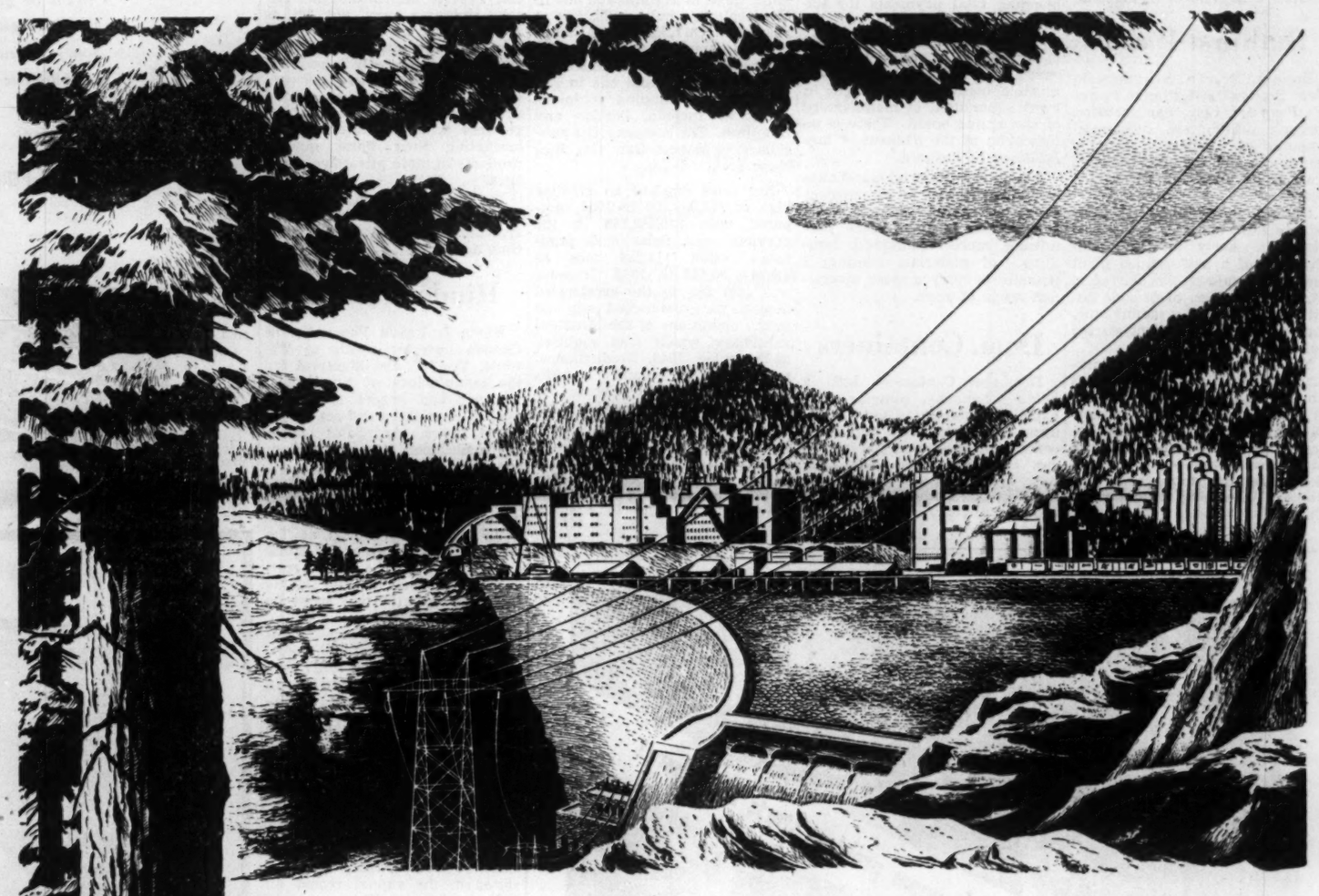
CLERMONT, CHARLEVOIX, QUE.
HEAD OFFICE
QUEBEC, QUE.



Northwest Passage to
Industrial Opportunity

In the vast areas of our Pacific Northwest a great storehouse of natural wealth awaits development. This region is fabulously rich in forests, mineral resources, water power. Today it is the scene of tremendous industrial activity with capital pouring in to implement the extensive plans of industry.

Columbia Cellulose Company Ltd. has been a pioneer in this industrialization—developing of Canadian timber resources on a self-perpetuating basis. Near Prince Rupert, British Columbia, we have built a great new mill which is now turning out volume quantities of highly purified cellulose to augment the world's current short supply. Canadian Chemical Company Ltd. is constructing a plant near Edmonton to produce organic chemicals from the natural petroleum gases in the district for use in Canadian industry.

These chemicals and the cellulose from the forests of British Columbia are the basic raw materials in the manufacture of acetate yarns and fibers. Thus, these operations will lay the foundation for a completely independent and integrated textile fiber production, strategically located to serve not only the North American market but all the other markets of the world.

These are only the first steps in our plans for developing Western Canada. A program is already under way to expand pulp production, to manufacture basic cellulose acetate, and to provide additional facilities for the production of many other useful materials.

Columbia CELLULOSE COMPANY LTD.

Boom For Paper Box Manufacturers

Delivery Dates Stretch Out as Demand Keeps Increasing

Paper box companies are still faced with the biggest market demand in history with no indication as yet of any dropping off in high business tempo over the near term. Deliveries in both the corrugated and folding box are being quoted up to a five month basis. Situation is more in balance in the Set-up box industry.

Only limitation to operating at maximum capacity is supply of adequate quantities of paperboard from the paper mills. This situation has worsened recently and coupled with increasing flow of defense business is resulting in further lengthening of delivery dates, particularly in the corrugated field. Several of the paper milling companies are installing new equipment and by next year this should improve the supply of paperboard.

Earnings in most of the box companies are running ahead of last year and if no production interruptions occur during remainder of year, record profits will be reported by many of the firms. In the folding box division, for instance, dollar sales are running 25% ahead of same period of 1950, tonnage some 15%-20% higher. Higher paperboard prices from the paper mills —a 10% increase—have now been reflected in selling price of most types of paper boxes.

Tonnage of paper box production has increased in every year since the war and as long as current high industrial output keeps up the container industry is assured a high level of demand.

Bathurst P & P

Besides its own operations in New Brunswick, Bathurst Power & Paper Co. manufactures, through subsidiaries, substantial amounts of corrugated shipping containers and the like products from kraft liner and corrugated board.

One of these, Shipping Containers Ltd., operates a plant at Montreal. Early in 1950, construction of a new branch plant for this subsidiary was started at St. Laurent, Que., to provide additional facilities for manufacturing containers. This plant started operations last November.

The company's other container-manufacturing subsidiary, Kraft Containers Ltd., operates a plant in Hamilton, Ont. Here, a new 85-inch corrugator went into operation in the summer of 1950, adding considerably to production. In addition, to meet the continually increasing demands for shipping containers, work is under way to provide still more productive capacity at the Hamilton plant. Considerable additional floor area and auxiliary converting equipment are to be added and, on completion of this work, the plant will be fully expanded, it is stated.

During 1950, Bathurst stated in its annual report, the converting container plants operated at capacity and total output was up considerably from 1949.

Consolidated net profit of Bathurst in 1950 was up sharply from 1949 levels and has been showing further increases this year.

Corrugated Paper

Corrugated Paper Box Co. with plant at Leaside, Ont., manufactures corrugated and solid fibre shipping containers and folding cartons. As of Dec. 31, 1950, appraisal value at replacement costs of fixed assets was placed at $2,844,426.

Over-all production was increased during 1950 and sales figures reached an all-time high. Net profit amounted to $297,786 as against $242,604 in the previous year. At the same time fixed assets were increased by a net amount of $127,073 through additions to buildings, plant and machinery amounting to $135,479 and disposals amounting to $8,406. Working capital increased $130,703 to a total of $1,334,902. The company paid an extra 50c on common share dividends in 1950, bringing total payments for the year up to $2.

Demand for company products is keeping up at record high but capacity operations have not been possible because of shortages in kraft paper used in manufacture of corrugated board. There is no indication at the moment of any let-down in business.

A new raw material warehouse completed in 1948 on an adjacent property added some 10,500 square feet of floor space permitting more economical handling of materials making it possible to carry a more diversified range of sizes.

Dom. Containers

Dominion Containers Ltd., a holding company, controls companies manufacturing and distributing cardboard boxes and other containers. It controls the following: Standard Paper Box Ltd., King Paper Box Co., Empire Paper Box Co., National Paper Box Ltd., Acme Paper Box Co., British American Paper Box Co. and Freed Paper Box Mfg. Co.

Last year consolidated net earnings rose sharply, totaling $441,680 against $242,173 in 1949. Net profits more than doubled at $196,089 ($90,543). These were equal to $77.66 ($35.86) per preferred share, after participation $4.28 ($2.04) per A share and $2.14 ($1.02) per class B share.

In September, 1950, a new $300,000 issue of 4½% sinking fund debentures due July 2, 1968 was sold, proceeds to repay $250,000 of bank loans and for general corporate purposes. Outstanding capitalization, at Dec. 31, 1950, consisted of $350,000 3½%-4½% first mortgage serial bonds, $300,000 4½% sinking fund debentures, $252,500 7% $100 par cumulative first preferred stock; $229,160 $10 par class A stock; and 37,578 no par value class B shares.

Gair Co.

Gair Co. Canada manufactures and sells various types of corrugated and fibre shipping containers and folding paperboard cartons and for its own use manufactures various types of paperboard. In addition the company and its subsidiaries manufacture and sell a number of products including counter display carton, cracker caddies, paper specialties, gummed tape and mechanical pulp. Properties of operating divisions of company and its subsidiaries include four paperboard mills, three in Toronto and one in Montreal; two pulp mills, one at Frankford, Ont., and one at Campbellford, Ont.; a folding carton plant at Toronto, one in Montreal, two in Winnipeg and one in Edmonton, and shipping container plants at Toronto, London and Hamilton. The company is a subsidiary of Robert Gair Co., Inc., New York.

Net sales reached an all-time high of $18,989,990 in 1950 compared with $16,112,788 in the previous year. Sales of all products totaled 111,034 tons as against 98,592 in 1949. Increase was said due to the accelerated demand for groundwood pulp and to the operations of the Montreal subsidiary which was acquired in December, 1949. Production of paperboard at company's mills amounted to 80,373 tons, an increase of approximately 3,000 tons.

Net profit was up 14.4% at $1,531,386 ($1,337,840). Earnings on the common stock amounted to $12.42 as against $10.74 in the previous year. The $4 a share common dividend rate was maintained.

During the year net amount spent for capital additions was $774,915. Expenditures for maintenance and repairs amounted to $829,812.

Tonnage and dollar volume is running at higher levels this year than in the corresponding period of last year, The Financial Post is informed. Business, particularly in the corrugated department, is well ahead of company capacity rate. A shortage of kraft paper is limiting production in the corrugated field at the moment. Company officials see no sign of any near term decline in high business rates.

Hendershot Paper

Hendershot Paper Products Ltd., makes a variety of paper products including containers and corrugated paper products in its Hamilton plant. Sales are largely through contract with large department stores and distributors in Eastern Canada.

Sales in 1950 were up 25% and net profit more than doubled at $54,054 ($19,698), equal to earnings of $1.38 a common share (0.24c in 1949). Contributing largely to current sales boost was installation of new equipment late last year which for the first time has enabled the plant to operate on a 24-hour basis.

The same improving trend evident in 1950 operations continues into the current year, The Financial Post is informed. Although sales increase may not be as marked as it was in 1950, it has proved "quite satisfactory." The company has recently introduced several items that have had particular appeal to the baking and drug trades, as well as for fruit growers who are interested in marketing their finest quality products in more attractive packages.

Further investment in fixed assets are taking place in the modernization program begun some time ago.

Hinde & Dauch

Hinde & Dauch Paper Co. of Canada operates plants at Toronto, Trenton and Montreal for the manufacture of jute liners, wrapper and header stocks, as well as corrugated and solid fibre board boxes, etc. Sales offices are maintained throughout Canada.

The company has started a new Montreal box factory and is providing new, steam-generating units and improvements at Toronto and Trenton plants. Capital expenditures will be much greater this year than in 1950. During that year $660,160 was spent on ordinary maintenance and equipment and fixed asset account was increased by a net of $560,750.

During 1950, paper mills produced 96,918 tons of paper boards, box factories 72,765 tons of shipping boxes and the net value of sales totaled $15,214,473. Net profit was $1,255,921 equal to $4.19 on the common stock, up from the previous year's $740,730 ($2.47). Some of the profit, however, was at the expense of inventories which can be replaced only at much higher costs, President Sidney Frohman stated in the annual report for 1950 operations. This was particularly true for principal raw materials and shortage of some of these could cause some difficulty in keeping up current sales volume in 1951.

The new Montreal plant will be a one-story building containing a little better than 270,000 sq. ft. and will be serviced by the Canadian Pacific Railway. It is ideally situated both as regards labor supply and truck and rail deliveries to customers.

The company maintains complete research, engineering and art facilities for consultation on all packaging problems and has given leadership in the continual development and production of shipping boxes for safe and attractive packaging.

Maritime Paper

Maritime Paper Products Ltd. is a holding company, with one wholly-owned subsidiary, Industrial Containers Ltd. The latter is engaged in fabricating cartons and other corrugated products for industrial use. Name of the subsidiary was changed from Maritime Paper Products Ltd. in January, 1948, and all the capital stock was acquired by the parent company.

The Halifax, N.S., plant has an operating capacity of about 5,000 tons a year on the basis of a one-shift day. Production of finished products in the year ended June 30, 1947 (latest available), totaled 4,877 tons. At that time, products were being sold generally throughout the Maritimes, in Newfoundland and British West Indies.

Net profit for the same year amounted to $28,897 and for the 1945-46 years $20,047. Total assets of $324,244 were reported, including current assets of $109,696. Current liabilities totaled $40,674.

Capital stock consists of 8,750 authorized and outstanding $20 par 5% cumulative preferred shares and 15,000 authorized and outstanding no par value common shares.

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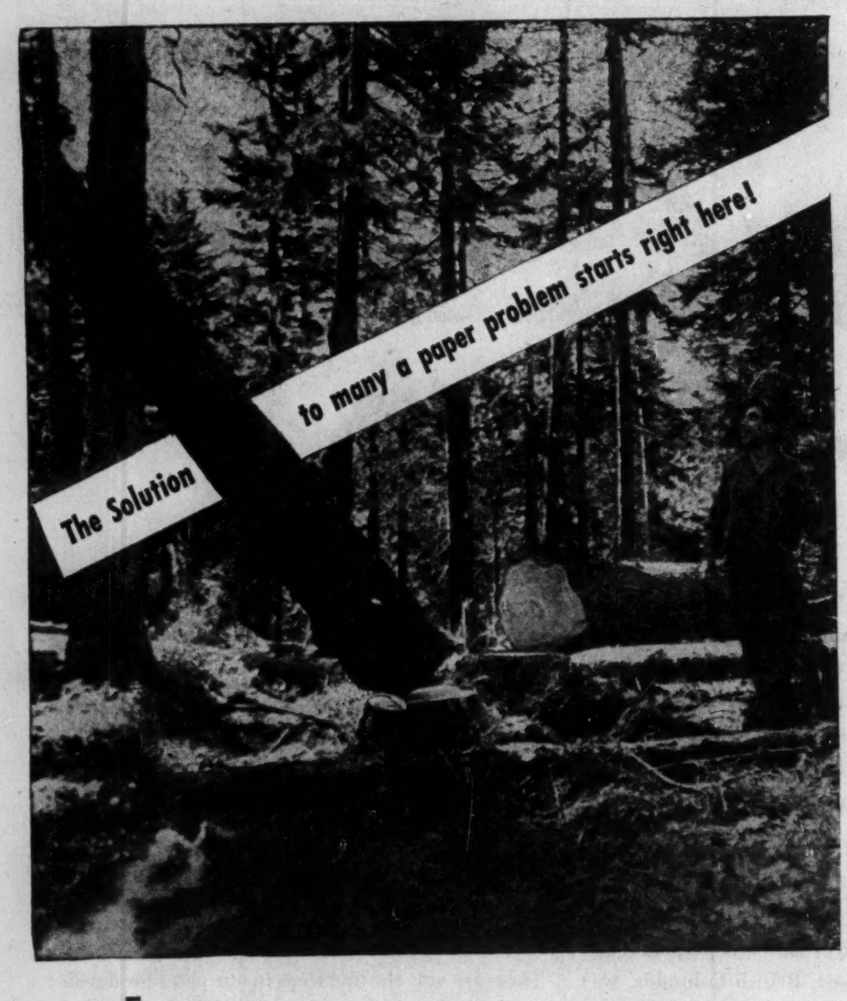

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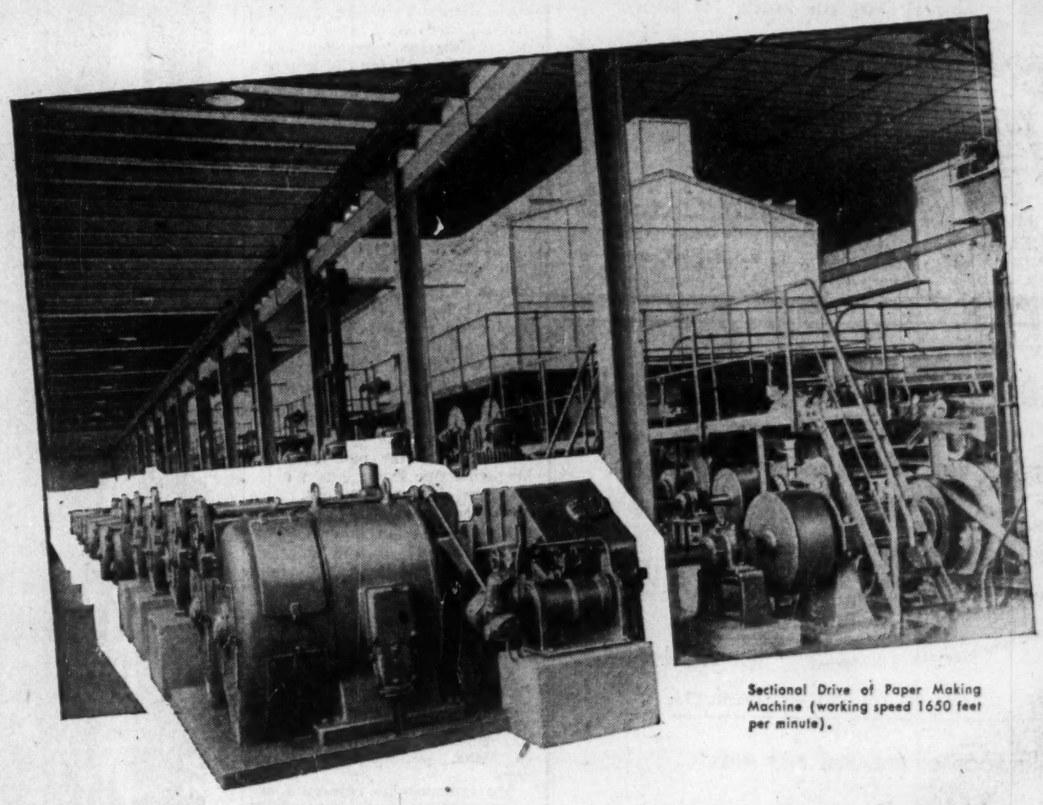

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1-51

Pulp and Paper's Key Research Points

Where Government and Industry Are Working Out Program

Where is the research work being done in pulp and paper today? Who handles what departments? Here's an up-to-date list of institute, government and university laboratories; private industry laboratories:

Institute, Government, and University Laboratories

1. Pulp and Paper Research Institute of Canada, 3420 University St., Montreal. President, Dr. Lincoln R. Thiesmeyer; director, Dr. Otto Maass.

Covers the pulp and paper field from woodlands to final products with post-graduate training; fundamental research; bibliographic services; technical services and applied research (chiefly on contract).

Main departments: Cellulose chemistry, Dr. C. B. Purves; chemical pulping, Mr. John Hart; physical chemistry, Dr. Stanley Mason; technical research and services, Dr. Boyd Campbell; woodlands research, Mr. Alexander Koroleff.

Major research projects in progress include: Studies in the fundamental chemistry of cellulose, lignin, and bark; the corrosion of equipment in alkaline mills; the recovery of values from sulphite waste liquor; high yield sulphite pulping; and the construction of pulpwood holding grounds.

2. Ecole de Papeterie, Trois Rivières, Que. Directeur, M. Gaston Francoeur.

3. Forest Products Division, Forestry Branch, Federal Department of Mines and Resources and Development. Chief, Col. J. H. Jenkins.

(a) Ottawa Laboratory, Isabella and Metcalfe Sts., Ottawa. Superintendent, Dr. H. Schwartz. Major fields, timber mechanics wood chemistry, pathology and technology; (b) Vancouver Laboratory, University of British Columbia Campus. Superintendent, Dr. J. A. F. Gardner; Chief fields, as for Ottawa Laboratory.

4. National Research Council of Canada. President, Dr. C. J. Mackenzie. (a) Division of Applied Biology, Sussex St., Ottawa. Dr. G. A. Adams. (b) Prairie Regional Laboratory, Saskatoon. Director, Dr. G. A. Ledingham.

5. Alberta Research Council, University of Alberta, Edmonton. Director, Dr. R. Newton.

6. British Columbia Research Council, University of British Columbia, Vancouver. Chairman, Hon. Leslie H. Eyres; Director, Dr. S. E. Maddigan.

7. Research Council of Ontario, 39 Queen's Park Crescent, Toronto. Director, Dr. Joseph Wilhelm.

8. University of Toronto, Toronto. (a) Department of Chemical Engineering. Chairman, Dr. R. R. McLaughlin. Projects in wood and cellulose chemistry. (b) Faculty of Forestry. Dean, Prof. J. W. B. Sisam.

9. University of British Columbia, Vancouver. (a) Department of Chemistry. Chairman, Dr. J. Gilbert Hooley. Projects in wood chemistry under Professor E. V. White. (b) Faculty of Forestry. Dean, Professor Lowell Beazley. Wood and forest products research under Prof. R. M. Wellwood.

10. Université Laval, Quebec. (a) Department of Chemistry. Research of wood chemistry under Dr. Joseph Risi. (b) Faculté de génie forestier. Doyen, Dr. Avila Bedard.

11. University of New Brunswick. School of Forestry. Dean, Dr. J. M. Gibson.

Industrial Research

In using this list the following points should be borne in mind:

(1) Laboratory work can best be described as a continuous spectrum which extends from fundamental research on one hand, through background research, applied research, development, and trouble-shooting, to routine control on the other. Since almost all pulp and paper mills have at least a control laboratory, this makes distinctions difficult to draw. For the purposes of the following list, however, a "research laboratory" is one which does "applied research" or better.

(2) Most large corporations which operate several subsidiary mills rely on one central laboratory for the greater part of their research. The names of parent corporations only are therefore listed.

(3) For the same reason neither Canadian subsidiaries of American firms, nor the parent firms themselves, are listed, since the central research laboratories of such firms are in the United States).

The Companies:

Abitibi Power and Paper Co., Sault Ste. Marie, Ont.
Anglo-Canadian Pulp and Paper Mills, Ltd., Quebec, Que.
Bathurst Power and Paper Co., Bathurst, N.B.
Beaverwood Fibre Co., Thorold, Ont.
MacMillan & Bloedel, Ltd., Vancouver, B.C.
Building Products, Ltd., Montreal, Que.
Brown Corp., La Tuque, Que.
Canadian International Paper Co., Industrial Cellulose Research Limited, Hawkesbury, Que.
Consolidated Paper Corp., Ltd., Grand'mère, Que.
E. B. Eddy Co., Hull, Que.
Fraser Companies Ltd., Edmunston, N.B.
Great Lakes Paper Co., Fort William, Ont.
Howard Smith Paper Mills, Ltd., Cornwall, Ont.
Howe Sound Pulp Co., Port Mellon, B.C.
Mersey Paper Co., Liverpool, N.S.
Ontario Paper Co., Thorold, Ont.
Pacific Mills Ltd., Ocean Falls, B.C.
Powell River Co., Powell River, B.C.
Price Brothers & Co., Ltd., River Bend & Kenogami, Que.
Restigouche Co., Campbellton, N.B.
Roland Paper Co., Mont Rolland, Que.
St. Lawrence Paper Mills Co., Trois Rivières, Que.

Pulp and Paper Industry Sets Labor Relations Pace

The pulp and paper industry continues to set the pace in Canada in getting along with labor.

In few other areas are management-union relations as good.

The industry pays the highest wages in Canada: at last count $68.18 a week (D.B.S. average weekly wages and salaries June 1, 1951).

This puts the 54,000 men employed in some 130 mills across Canada right at the top of Canada's wage list.

The industry also leads in another important labor column: the degree of unionization. The industry is almost 100% organized.

In a recent survey covering 87 mills, including all big producing units, not a single mill was reported without a union contract.

The dominant unions, by all odds, are the A.F.L.: International Brotherhood of Pulp, Sulphite and Paper Mill Workers have agreements in 56 mills; the International Brotherhood of Paper Makers, in 51 mills.

Catholic syndicates of the Canadian and Catholic Confederation of Labor have agreements with 17 mills, all in Quebec.

The industry also rates high on labor lists when it comes to union security. No mill has a closed shop agreement. However 61, including most of the largest, have union shop arrangements. They usually provide that any new employee has to become a member of a union within a specified number of days, usually 15 and must remain a member in good standing as a condition of employment.

Forty mills give preference to union members in hiring their employees; 23 mills have the check-off.

The readiness with which the industry has conceded a high degree of union security; the high wages paid, the high degree of unionization and the "extras" — vacations with pay, sickness and hospitalization benefits, pensions, etc., all have played their role in good relations.

This acceptance is reflected in the attitude of management to the union and the union leaders to management. In these days of uneasy management-labor relations, and the sharpening of the attack by certain labor leaders with political ambitions, the record of industrial peace in this industry stands out like a beacon.

No industry has been freer of strikes. One of the largest firms has a 32-year strike free record and nowhere are annual wage negotiations carried on with a greater spirit of give and take.

Bowater Paper To Build Plant In Tennessee

MONTREAL (Staff)—Bowater Paper organization is negotiating for establishment of a newsprint mill in Tennessee, Sir Eric Bowater revealed in Corner Brook, Nfld. this week.

Sir Eric said that a reply is awaited from the U. S. Government to a request for the certificate of necessity required before a start can be made on the project. Site is near Chelston, in eastern Tennessee.

Newsprint capacity will be 130,000 tons annually. It will be an integrated operation, with a kraft pulp mill of 50,000-tons-per-annum capacity. Observers estimate cost at around $40 millions-$45 millions, based on cost of other mills built in the southern states.

Ontario Raises Timber Dues

Cost of wood for Ontario's pulp and paper companies will be increased as the result of a substantial increase, effective from April 1, 1951, in the dues payable to the Crown for timber cut.

The regulations made under the Crown Timber Act were filed Aug. 20, 1951 (Ontario Regulations 184/51). The new rates in some cases were exactly double the old, and, on the average, would mean an increase in rates of around 80%.

Here are the new regulations with the old rates shown in brackets:

From and after the 1st of April, 1951, the dues payable to the Crown for timber cut on the ungranted public lands, and for timber cut on patented lands where the timber on them remains the property of the Crown, shall be as follows:

(a) Sawlogs:

Ash, basswood, cherry, elm, maple, oak and yellow birch, per thousand feet, B.M. $5.00 ($2.70).

Beech, poplar, white birch and other hardwoods, per thousand feet, B.M. $3.00 (poplar $2.20 and others $1.70).

Balsam, jack pine and spruce, per thonsand feet, B.M. $4.00 (balsam and spruce, $2.25 and jack pine $1.75).

Cedar, hemlock and tamarack, per thousand feet, B.M. $3.00 ($1.70).

Red pine and white pine, per thousand feet, B.M. $5.00 ($2.85).

(b) Pulpwood:

Balsam and jack pine, per cord $1.40 (balsam 95c and jack pine 70c).

Poplar and other hardwoods, per cord $1.00 (other pulpwoods 60c).

Spruce, per cord $2.80 ($1.70).

(c) Boom timber; railing; poles:

All kinds, in pieces containing

(I) Under 10 cubic feet, per cubic foot 3c.

(II) From 10 up to and including 20 cubic feet, per cubic foot 4c.

(III) From 20 up to and including 30 cubic feet, per cubic foot 5c.

(IV) Over 30 cubic feet, per cubic foot 6c.

(Classification changed so no rate comparison possible.)

(d) Fuelwood:

Conifers, per cord 50c (25c).

Hardwoods, per cord $1 (50c).

INTERNATIONAL NICKEL CO. has declared its regular quarterly dividend of $1.75 a share on the preferred stock of $100 par value, payable Nov. 1 to shareholders of record Oct. 2.

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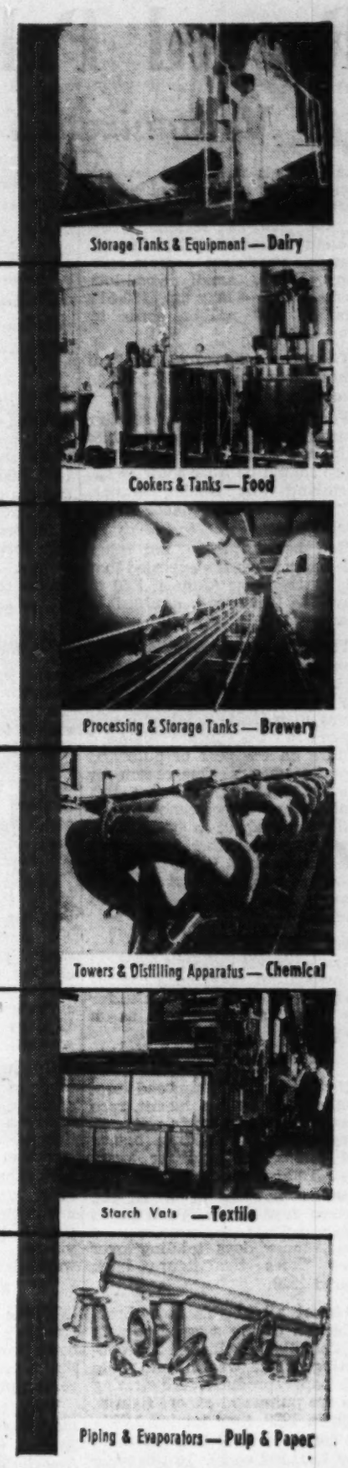

KEEPING FREEDOM'S BANNER HIGH

In a world where truth is so wantonly crushed under the iron heel of tyrant dictators, the newspapers of the democratic countries are playing a big part in keeping freedom's banner high.

Behind the printed word of the newspaper is the newsprint which in turn plays its part in making possible the spread of truth and unfettered opinion in defiance of the iron heel.

The Anglo-Newfoundland Development Co. Ltd. is proud of its substantial participation in the cause of freedom as reflected in the news and opinions published in many languages throughout the world on newsprint manufactured in its mills.

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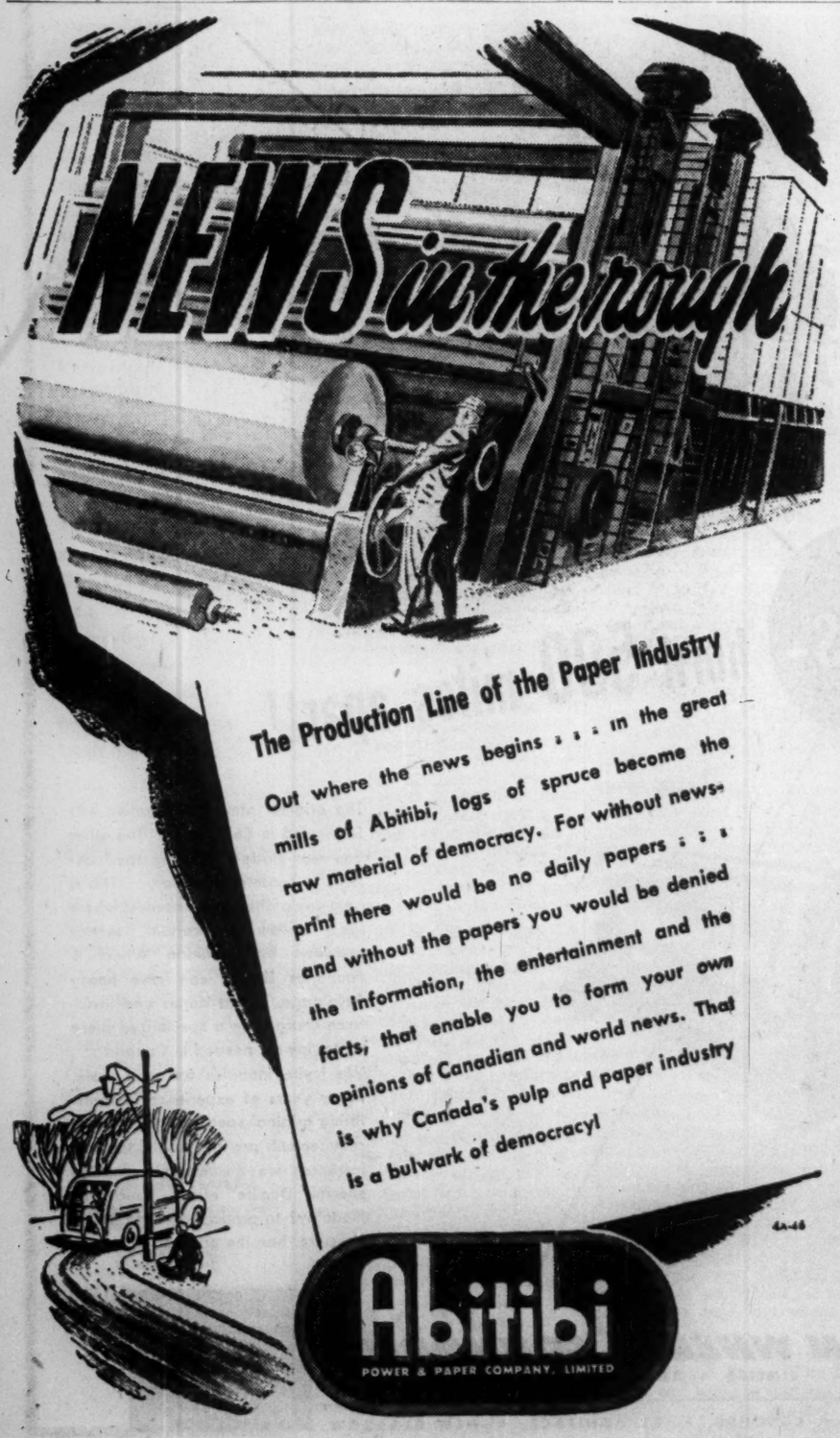


The Production Line of the Paper Industry

Out where the news begins . . . in the great mills of Abitibi, logs of spruce become the raw material of democracy. For without newsprint there would be no daily papers . . . and without the papers you would be denied the information, the entertainment and the facts, that enable you to form your own opinions of Canadian and world news. That is why Canada's pulp and paper industry is a bulwark of democracy!

4A-46

Abitibi
POWER & PAPER COMPANY, LIMITED

Record Pulpwood Harvest Expected

Mechanization Helps Solve Labor Supply Problem

All signals now point towards prospects of a record pulpwood harvest from Canada's rich forests in the 1951-52 season. From present indications, it's thought that this year's cut — from company limits, small wood-lots, farmers, etc. — may top 1950-51's total of 12.9 million cords by some 5%-10%.

There are the usual "ifs," of course, that could play a role in trimming this estimate.

For example, "if" the sulphur shortage should start eating into pulp and paper production, "if" there should be little snow in the northland this coming winter, "if" an acute woods labor shortage developed.

But, barring these and other like happenings, it's expected that this cutting year (June 1, 1951 to May 31, 1952) will establish a new peak.

That's good news for a lot of people. Besides assuring a season of bumper wages for those actually engaged in woodcutting, it seems to indicate a lot of confidence in the future demand picture on the part of pulp and paper producers. One reason for this is that pulpwood cut this winter won't be consumed by the mills until about a year from now; companies, therefore, aren't likely to tie up a lot of money in wood inventories if future business prospects don't look too promising.

So, with pulp and paper the nation's biggest industry, a record pulpwood cut takes on a considerable amount of significance for the Canadian economy as a whole.

Record over the years

New highs in pulpwood production are by no means rare phenomena for Canada's forests. They've been providing bigger and bigger harvests for years now. Total production has established somewhat of a zig-zag pattern over the years but shows a very definite long-term upward trend, these days totaling over three times the figure back around 1920.

Almost all of this is a direct reflection of the surging growth in Canadian facilities for converting forest wealth into pulp and paper products. Illustrating this are pulpwood export figures. Back in 1920, they totaled 1,247,404 cords, by 1950 had grown to only 1,611,562 cords. In the same period, domestic consumption of pulpwood had more than quadrupled, climbing from 2,777,422 to 11,200,000. Exports as a percentage of total production have dropped from some 31% in 1920 to 22% in 1939 and 12.5% in 1950.

Virtually all exports of pulpwood (1,578,499 cords out of the 1,611,562 total last year) are destined for the U. S. market. Most of the small balance goes to the U. K. Total value of pulpwood exports last year amounted to $33,589,962.

This year, exports have been on the increase. For the first five months, they totaled 850,064 cords, valued at $18,021,390, against 510,707 cords ($9,899,169) in the same period of last year. Exports to the U. S. again took the lion's share, with 831,553 cords ($17,520,353). In the first five months of 1950, no exports were made other than to the U. S.

Imports make up only a very tiny portion of the total Canadian supply, amounting to only an estimated 23,000 cords last year.

Our Pulpwood Output

(In cords of 128 cu. ft. of unbarked wood)

	Apparent Production	Consumption	Exports	Percentage Exported
1939	6,899,986	5,386,240	1,539,440	22.3
1945	9,154,673	7,478,508	1,671,298	18.3
1946	10,523,256	8,684,756	1,855,381	17.6
1947	11,484,522	9,551,050	1,983,980	17.3
1948	12,497,926	10,256,549	2,317,346	18.5
1949	11,850,254	10,243,467	1,612,278	13.6
1950 (est.)	12,900,000	11,200,000	1,611,562	12.5

The Labor Income

Getting back to the coming cut, it's estimated that the pulp and paper companies will probably have some 84,000 men working in the woods at the peak of the season (late November and early December) to bring in the expected record yield.

And this doesn't count the number of farmers and other small wood-lot owners who spend part of their time harvesting wood for sale.

Judging by figures in past years, the 84,000 peak indicates that, for calendar 1951, some 250,000 persons will draw direct wages from woods operations, including the small independents cutting wood for sales (the average cutter works only about 45 days out of the year in the woods).

On the labor supply front, it's thought there may be a slight shortage this year. It is pointed out that there's lots of competition for men these days from construction projects and defense jobs. The over-all situation, however, is described as "tight but not critical." New immigrants to Canada have been a help in providing additional supplies of woods labor.

Sources of Wood

Where does the wood used by Canada's pulp and paper mills come from, what types comprise the biggest percentage of total consumption, what is it used for?

Well, a 10-year average estimate compiled by the Woodlands Section, Canadian Pulp & Paper Association, shows that about 70% of the total consumption is provided from limits leased or owned by the mills themselves. Another 20% slice comes from farmers and other small holdings, while the final 10% is made up of other purchases, including sawmill waste.

In 1949, spruce and balsam accounted for 85.5% of the total pulpwood used by the mills. Another 6.5% came from jackpine, 3.9% from hemlock, 2.5% from poplar and .5% from "other kinds," including cedar, red pine, Scotch pine, Douglas fir, birch, maple and other hardwoods, and broomsticks. A final 1.5% included chips, slabs and edgings, sawdust and butt cores.

Again in 1949, roughly 41% of the total consumed in the Canadian pulp and paper industry went into making each of groundwood and sulphite pulp. Another 16% was used for turning out sulphate and soda pulps, while the balance went into defibration or explosion pulps.

Most of the mechanical pulp, and a large slice of the sulphite, goes towards satisfying a hungry world's demands for more newsprint.

The Province of Quebec usually accounts for over 50% of the total volume of pulpwood produced in Canada. Ontario normally chalks up about 25%, with the remainder in the Maritimes, Newfoundland and the other provinces.

Use More Machines

Helping harvest the growing pulpwood crops these days, and solving many of the companies labor problems, both from a supply and cost viewpoint, is a definite trend towards more mechanization in woods operations. Labor costs, as they rise, give a distinct stimulus to the introduction of more mechanical equipment.

In Western Canada logging, mechanization has played an important role for years now, chiefly because the large trees require powerful equipment to haul them away. In Eastern Canada, however, smaller trees, climatic conditions and differences in terrain have slowed down any large scale shift in the direction of mechanized logging. Even so, however, there is a definite trend towards it.

Many of the past troubles have centred around suitable equipment. Some machines, effective in other areas, are totally unsuited to eastern operations. Now, more and more equipment designed especially for local conditions is becoming available.

Besides helping stem higher costs, the improved equipment is also beginning to change the picture of eastern hauling operations. Instead of moving practically all the wood out in the winter, it's now becoming possible to put this phase of the harvest on a year-round basis in some areas. In addition to making more efficient use of equipment, this latter factor will enable companies to build up a permanent labor force, instead of releasing men in the summer and hoping they'll be around again next season.

Developments in the further use of the power saw are also being studied. Up until now, the industry hasn't been able to use it to advantage in the small softwood stands common to eastern operations. It is thought that suitable equipment and methods will be developed.

Future Supplies

In any pulp and paper operation, of course, one of the most important things to be considered is assuring an adequate supply of suitable pulpwood.

To this end, companies, governments and research agencies are working continually towards improving forest operations. They spend a lot of time and money examining growth and soil conditions, climate, terrain, disease, and a whole host of other factors, to protect one of their biggest investments and make the best possible use of it.

Chief aim is to put and keep our forests on a sustained yield basis — that is, to ensure that annual growth equals or betters annual depletion. Efforts along these lines are, of course, also designed to increase forest yields so that a larger pulp and paper industry can be supported.

The question of whether our present yearly increment is at least equal to annual depletion is a difficult one, as no complete annual growth estimate has been, or is being, made.

Earlier this year, however, in reporting a 1950-51 pulpwood harvest east of the Rockies up 9% from the previous peak 1947-48 figure, R. M. Fowler, president of the Canadian Pulp & Paper Association, stated that the industry as a whole is not overcutting its limits or impairing its forest capital.

"The pulpwood harvest during the 12 months period," he said, "is the equivalent of but an eighth of a cord an acre averaged over the 142,000 sq. miles of forests operated and managed by the industry. All scientific measurements made to date indicate an annual growth in excess of this figure."

"The forests can support a considerable expansion of our forest industries," he continued, "but before they can do so we must have the knowledge that comes from long term research on growth and growing conditions. Particularly must we protect all the forests from the devastation and loss caused by fires, insects and disease, which consume more wood in Canada than all the pulp and paper mills combined. Fire alone takes the equivalent of a third of the wood used by the pulp and paper industry.

One of the factors making forest research difficult and results so slow in appearing is the length of time it takes a stand of wood to develop from seedlings into mature trees. For instance, a company may make a thorough study of a particular section now, including the condition of its trees, their age, type, the kind of soil, the climate, etc., and decide on a particular method of cutting which seems best suited. The results of their decision, however, may not be apparent for many years.

Harvesting Forests

Howard Smith Paper Mills Ltd., in its report on 1950 operations, included a section on forest management which gives an interesting insight into the many ways in which various woodland areas are harvested.

It broke down the main cutting methods used today into four categories:—

(1) Clear-cutting, which is removing all trees of merchantable size.

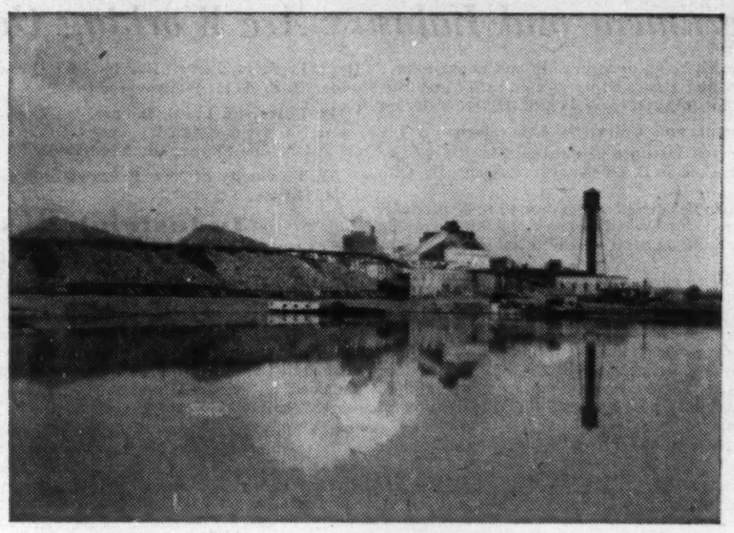
(2) Seed-tree cutting, removing all but selected trees which are expected to reseed the cutover areas.

(3) Shelterwood cutting, removing only the bigger or mature trees in several cuttings to give more light and space to younger trees growing under them.

(4) Selected cutting, removing only certain selected trees at any one time.

Any one of these methods, or a combination of them, may be the best suited for any particular stand, depending on things such as the number of new seedlings growing under the older trees, the amount of herbaceous growth which might choke young seedlings if the forest were opened, the strength of the trees (important in seed-tree cutting where the remaining trees are exposed to the wind), soil conditions, the age of the stand, whether it is a single species stand or mixed, and many others. The widely different conditions in various parts of the country adds to the difficulties of the foresters.

As an example, Howard Smith Paper Mills referred to its Windsor Mills woodlot, long cut on a selective basis. The method used there about 40 years ago was strip-cutting, combining some of the features of clear, seed-tree and shelterwood cutting. In effect, the forest was clear cut in narrow strips and seeding took place from the trees at the side of the strip, but the sudden release to sun and wind caused many blow-downs and some "sunburning," which resulted in the scheme's abandonment. Later cuttings were made on the basis of taking out only the large trees and windfalls, but no definite plan was formulated and few records were kept of details of the operation.



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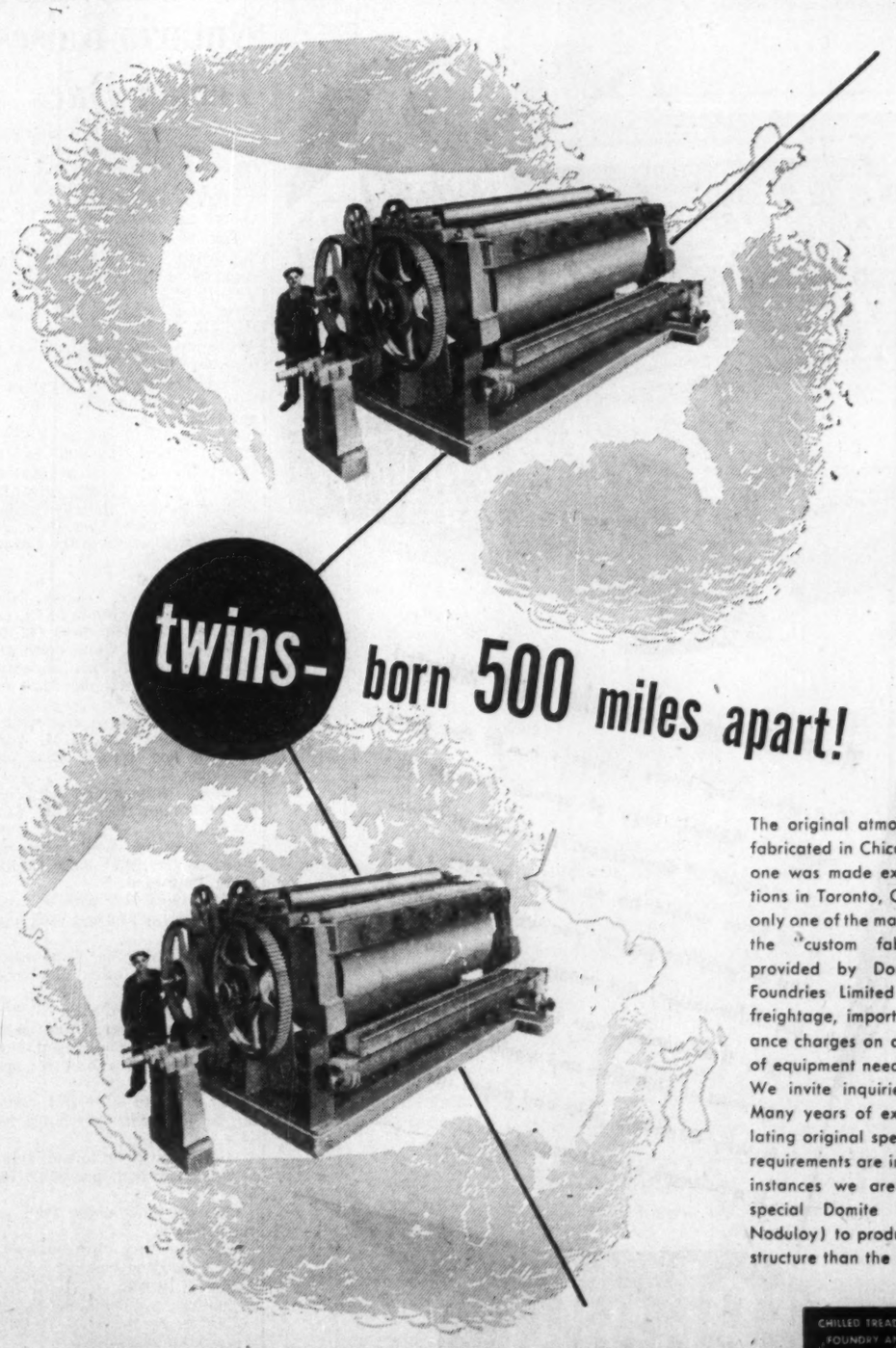

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Paper Carries the Goods to Market

Expanding Container Industry Serves Broad Field

The faster Canada's industrial tempo, the heavier the demand on her forests, paper and box plants for the containers with which to carry the goods to market.

Thousands of products ranging from perfume to washing machines are shipped daily in paper boxes made out of paperboard, an increasingly important product of Canadian pulp and paper mills. Last year a record 850,000 tons of paperboard went to the box plants to be converted into the thousands of varieties of boxes demanded today by industry. This is a little more than double requirements in 1939 and would represent approximately 10%—or close to $90 millions—of total dollar sales of the pulp and paper industry.

Despite capacity operations of Canada's big four in the paperboard field — Brompton Pulp & Paper, Bathurst Power & Paper, Hinde & Dauch Paper Co. of Canada and Gair Co. of Canada—and lesser output from four other plants, paperboard supply has not been sufficient to meet box plant requirements. These box plants are running far behind industry demands at the moment—deliveries in corrugated boxes, for instance, are being quoted on a four- to six-month basis.

Watch Defense Demands

Defense production requirements are going to make the box situation tighter still over the next several months, particularly in the corrugated field. It is known now that Ottawa will require at least 6% of corrugated box output over the next three months and this will probably be raised to 10% even before that period is out.

This extra demand will have to be taken out of production which had been formerly earmarked for civilian market demands and will tend to lengthen box deliveries even further over the remainder of the year. Sales of corrugated boxes to end of July were around $5 millions higher than in same period of 1950. Part of the increase, however, represents a 10% price jump in June.

Most paper box producers have already placed regular customers on a quota basis and will not accept orders from new customers. This is leading to a situation where shipments of goods are being held up from lack of containers.

It is also resulting in importation of boxes from the U. S. even with the tariff and in some cases a dumping duty applied. There is little or no improvement in sight until early in 1952 when Bathurst Power & Paper Co.'s additional facilities are expected to boost over-all supply of paperboard.

The great postwar trend toward fancier, more eye-appealing packaging, and self-serve in retail outlets has meant a tremendous increased demand for folding and set-up boxes.

Big strides in container improvement—better quality board, better, faster-drying inks, more varied colors, faster glues, etc.—have in turn widened the market in that they have produced a box that has become a distinct adjunct to selling of goods.

Most manufacturers of folding and particularly set-up boxes are now in the midst of their annual pre-Christmas rush. Although it is anticipated that Christmas business will be just as heavy as last year, there hasn't been the rush to place orders early, as was the case last year. The summer slow-down in certain lines of business—textiles, electrical appliances, etc. — has made many retailers more cautious about placing business ahead and manufacturers of goods in turn have had to go a little more slowly in placing orders for containers.

The folding, set-up (and associated round box) industries have become increasingly vulnerable to the printing and lithographing trades. Many boxes today have special fancy labels. These are done often by a lithographing firm. Any strike or work slowdown on the part of the lithographer can hold up large shipments of containers.

The frozen food industry is a huge new market for the box industry and at the moment there is a great race among box-makers to come up with the right answer to the rigid packaging requirements. The containers will have to be moistureproof, transparent in part, and keep the food fresh-looking. There already have been important developments in this field but box-makers are still looking for the perfect box for the job.

Corrugated Boxes

By far the biggest development in the shipping container field—the corrugated box—is its sharp inroads into what was formerly the exclusive market of plywood and wooden boxes. Corrugated boxes are getting heavy call for shipping household appliances—electric washing machines, radios, stoves, etc. They have also captured more than half of the big textile market. Both these fields have provided tremendous markets.

An important development recently has been the solid fibre reusable beer carton replacing the older one made out of corrugated paper. The container has been developed as a means to conserve tight corrugated supply. The containers have been known to come back for refills as often as 16 and 18 times before being unusable. So far they are only being used in Quebec. In other provinces, the corrugated boxes are still being thrown away after being returned with empties, only the partitions being reclaimed.

For the first time this year a new fast-drying ink has been used by Canadian box-makers. This permits presses to speed up operations, some doubling runs. Another important development in the equipment field is a machine with mechanical fingers that assembles box partitions automatically.

Specialty and Wrapping Paper Company Reports

(Continued from page 38)

corporated in 1930 by B. F. Perkins and J. L. Perkins of the American Tissue Mills, Holyoke. In July, 1947, the common stock was purchased by Perkins Paper Products Ltd.

St. Regis

St. Regis Paper Co. (Canada) does a nationwide business in multiwall bags and automatic filling and weighing machines. It is a subsidiary of the American St. Regis Paper Co.

Bag manufacturing plants are operated at Cap de la Madeleine, Que.; Dryden, Ont.; and Vancouver, B.C. Now under construction at Dryden, Ont., and expected to be completed by the end of 1951, is a new plant to replace one currently leased from Dryden Paper Co. It will provide a capacity three times that of the present plant and will call for a 50% boost in employment.

Decision to proceed at once with a paper bag factory coincided with extension, on a broadened scale, of an agreement with Dryden Paper Co. for a long-term supply of kraft paper used for conversion into bags. The new addition has been designed for the ultimate installation of three tubing units capable of producing a full range of multiwall bags of virtually all specifications, the company states. Space is also being provided for eventual inclusion of extrusion equipment for coating kraft paper with polyethylene.

Earlier this year St. Regis started production at its new Panelyte division at St. Johns, Que. This new plant, representing an investment of over $2 millions, is designed to supply the Canadian market requirements for industrial, refrigeration and decorative Panelyte (trade name for the company's laminated plastics), heretofore supplied by the Trenton, N.J., plant of the parent company. A steady increase in output is expected until capacity operations are reached this fall.

Another new development of St. Regis, which got under way earlier this year, is the manufacture of polyethylene-coated kraft paper in Canada, following its successful commercial development in the U. S. Additional floor space was built and coating facilities installed at the Cap de la Madeleine plant, to process the same range of kraft paper as besame range of kraft paper as is being processed in the U. S., in-

Sales of St. Regis Paper Co. (Canada) increased by 11.5% during 1950, despite a tight supply of Canadian kraft paper. There is a large potential business in the bag field for the three Canadian plants, it was stated, and important gains were made in 1950, with a strong upturn at the year-end against the usual seasonal trend.

Currently, the parent company tells The Post, demand for multiwall bags is very strong, the only limiting factor being supplies of kraft paper. Demand for Panelyte is also running at high levels.

All the Canadian subsidiary's kraft paper requirements are obtained from Canadian mills.

J. C. Wilson

J. C. Wilson Ltd. manufactures and distributes paper and paper products including wrapping paper, paper bags, toilet tissue, folding boxes, shipping tags, butter wrappers and envelopes. It also distributes paper and paper products of other manufacturers.

The company operates a paper mill and a bag making plant at Lachute, Que., using about 6,700 tons of groundwood, sulphite and sulphate annually, which is supplied to the extent of 1,200 by its own groundwood mill near St. Jerome, Que. Head office of the company is at Montreal where it operates a box-making and printing plant, warehouses and facilities for distribution of its products. Branch offices are maintained at Winnipeg and Vancouver.

Ratcliffe Paper Co., a subsidiary, distributes paper and products in the Toronto area. Another distributing unit, The Windsor Paper Co., Windsor, Ont., was acquired in 1949.

Consolidated sales in 1950 amounted to $6,171,000 compared with $5,494,000 in 1949 and $5,266,000 in 1948. Consolidated net profit was up 160% at $197,230 ($75,666 in 1949). Earnings per share on the common amounted to $1.19 ($0.46 in 1949) and dividends of 60c (70c) per share were paid.

Company states that the essential items in its renovation program have been completed and it anticipates only normal alterations, repairs and improvements from now on. This was partly reflected in the $74,000 improvement in the company's cash position during 1950. Depreciation was calculated at the maximum rates allowed for income tax purposes ($120,555 in 1950). Mortgage payable amounted to $219,751 at Dec. 31, 1950. There are 165,750 no par value common outstanding.

Westminster

Westminster Paper Co., with plant at New Westminster, B.C., produces a wide range of paper specialty products. These include: wrapping papers; decorative papers; toilet papers; serviettes, plain, printed and embossed; watermarked papers in plain and variegated colors; towels, plain and folded; fruit wrappers, plain, printed, imprinted and oiled; waxed papers, plain and printed; special designs for bread, meat and other food wraps; facial tissues; many other special papers.

Business for the first six months of this year has been very good for Westminster Paper, it is stated, though midyear figures are not issued.

Net sales in year ended Jan. 31, 1951, were $5,172,137, up 22.4% from net sales of $4,225,122 in the previous year. Net profit was $421,255 ($241,508). Earnings per class "A" share were $4.21 ($2.42) and dividends paid, 50c (50c). Earnings per class "B" share were $1.24 (64c); dividends paid, 25c (10c).

The company has a $2 million expansion program under way. Progress was recently reported as satisfactory; a new finishing room building has been completed, the wharf has been enlarged, and construction should soon be started on a new machine room. A new paper machine of 40-45 tons daily capacity has been ordered. Operations in the new addition are scheduled to start about the middle of next year, but might be delayed a little.

The company was incorporated as Westminster Paper Mills Ltd. in 1922 and began operations the following year. It changed its name to the present form in 1926.

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Through its subsidiaries (Kraft Containers Ltd., Hamilton, Ont. and Shipping Containers, Ltd., Montreal, P.Q.) it supplies kraft corrugated shipping cases in a wide variety of types and styles to manufacturers and shippers from coast to coast.

The company's mill at Bathurst, N.B. produces kraft liner and B.C.M. corrugating board for the shipping case industry in general—folding and set-up box-board for the paperboard carton industry—and unbleached sulphite pulp for manufacturers of paper and paperboard.

In the packaging industry there are thousands of uses for Bathurst products. Remember—whenever you see a kraft shipping case or a paperboard carton—there's a good chance it had its origin in the timber limits of Bathurst!

KRAFT CONTAINERS **BATHURST** SHIPPING CONTAINERS

BATHURST POWER AND PAPER COMPANY LIMITED, BATHURST, N. B. AND SUBSIDIARY COMPANIES: KRAFT CONTAINERS, LTD., HAMILTON, ONT. AND SHIPPING CONTAINERS, LTD., MONTREAL, P.Q.

B.C. Pulp, Paper Giants Move Ahead

(Continued from page 31)

lay the foundation of what was to become B. C. Pulp & Paper Co., but only after a long period of difficulty.

The industry did not really come into its own until the late 1930's, and what happened then was only a weak and fluttering indication of what lay ahead. The striking transformation was not to come until the war years and the postwar period and the realization, that came with explosive suddenness, of British Columbia's enormous forest and water power potential.

Government View

The industry has been stimulated in recent years by the progressive attitude of the provincial government and its co-operation in getting forest industries established.

The importance of this attitude may be grasped from the knowledge that 85% of the standing timber in British Columbia is government-owned.

In 1945 the government of the day decided that it was time for a thorough analysis of the forest resources to lay the foundation for future growth without jeopardizing the timber available. The forest management system, based on the principle that the forest should be developed on a sustained yield basis through co-operation of industry and the state, has been put into practice as a direct result of the survey made by Chief Justice Gordon Sloan.

The policy of the government in this connection is a flexible one. Certain details of it may have to be revised to meet changing conditions, especially since there is a fear among small operators that the industry is getting too much into the hands of large companies, but basically the pattern has been set. Fears that the forest industry is overcutting and is hastening the day of depletion have been allayed somewhat by the confidence shown by the big companies in making multi-million dollar investments in pulp and paper mills. Such companies have no thought or interest in temporary success. They are building for permanence.

Production Record

During the decade beginning in 1940 the production of pulps in British Columbia has increased 193%, and the combined production of pulps and papers, not including newsprint, has risen 194%. The production of papers, not including newsprint, has increased 196%. The production of newsprint has climbed 144%. This is an impressive record and one which cannot be duplicated in any region anywhere for that period.

This year it is estimated that production of pulp in British Columbia will be increased by more than 75,000 tons, most of the gain being represented by Columbia Cellulose Co., Howe Sound Pulp Co. and the MacMillan mill. The 1952 production of B. C. pulp will probably exceed 450,000 tons as a result of further increases at these mills, plus the possible tonnage from the Elk Falls Co. if, as expected, it gets into production before the end of the year. This, incidentally, will be the first new mill exclusively producing newsprint to be built in British Columbia in 40 years.

Ten per cent of Canada's total pulp and paper mills is now located in British Columbia, and the capacity of 12 mills is well over that percentage.

Employment and Payroll

There has been a growing recognition in British Columbia of the importance of this industry, and for good reason. There are nearly 6,000 persons directly employed in the mills and they in turn depend for logs from a woods industry which employs some 30,000, although it is difficult to state to what percentage of their productive effort goes into the pulp mills and to the sawmills and other branches of the forest industry.

Payroll of the pulp and paper mills last year was $18.5 millions, and the value of production was estimated at more than $85 millions. Total value of sales to the United States was $60.5 millions and total investment in plant $210 millions.

Production was diversified as follows in 1950: Sulphate pulp, bleached and unbleached, 115,000 tons; sulphite pulp, bleached and unbleached, 50,000 tons; newsprint, 403,000 tons; building paper, boards and felts, 30,000 tons; wrapping paper and specialties, 74,000 tons; dissolving pulp for conversion into plastics and rayon, 115,000 tons. A total of 787,000 tons, with estimated production this year approximately one million tons.

Company Programs

Here briefly, company programs:

Powell River's present construction program, representing an outlay of $12 millions, was initiated last year and is due for completion in 1952. Production of an estimated additional 130 tons of newsprint is one of the objectives. At present the mill produces about 1,000 tons of newsprint daily, as well as about 140 tons of unbleached sulphite pulp.

A new steam plant is being built and the installation of an eighth boiler unit is under way, as well as a 12,500 kilowatt steam turbine built in Switzerland.

Five of the Powell River newsprint machines will be speeded up with a view to getting greater production.

Establishment of a new electrical distribution system constitutes one of the major projects, because it comprises erection of an electrical loop of about one mile around the plant. Power will be distributed to five substations and stepped down to the distribution voltage of 2,300 volts.

Between now and 1952, the company will have plowed back about $30 millions of its earnings into plant and properties.

Pacific Mills principal project under way at the operation in Ocean Falls this year has been the rebuilding of the woodroom, but from the standpoint of new development, most of the emphasis has been on the Elk Falls Co. newsprint mill which Pacific Mills is building in partnership with Canadian Western Lumber Co.

First planned unit of this new company is a newsprint mill designed to produce from 75,000 to 100,000 tons annually. The mill will obtain power and water from the British Columbia Government's hydro-electric facilities at Campbell River, about three miles from the site of the mill.

Elk Falls Co. will utilize timber from the forest management license obtained from the Provincial Government whereby forest now held by Canadian Western Lumber Co. on Vancouver Island, adjacent islands and the mainland will be augmented by second-growth timber on government forest lands to an extent sufficient to insure sustained yield management.

Alaska Pine & Cellulose Ltd., is currently engaged in a $6 million expansion and modernization program at its Port Alice sulphite pulp mill. Prior to the merger between Alaska Pine and Abitibi so far as west coast operations are concerned, considerable improvements in the Woodfibre mill has been carried out by the former management (B. C. Pulp & Paper Co.), and it is proposed to duplicate some of this work at Port Alice.

Columbia Cellulose started to increase the capacity of its new plant at Watson Island, near Prince Rupert, almost as it first went into operation. Present capacity is 200 tons of dissolving pulp daily, and the new objective is 300 tons, to be accomplished by additional digester capacity and a general stepping-up in facilities throughout the mill. However, most of the expansion of this company during the next year or so may be in a different section of British Columbia, as previously intimated.

Howe Sound Pulp Co.'s Port Mellon mill went into operation again last May after being shut down by its former owners, Sorg Pulp Co. As a unit in the fast-growing Canadian Forest Products, this pulp mill will have an opportunity to play an important part in integrating the organization's operations and diversifying its output. Management is aiming at a production at Port Mellon of 175 tons of kraft pulp by next year, and the ultimate plan is to produce 350 tons of bleached kraft pulp there.

Canadian Forest Products, in addition to a 75% interest in the Port Mellon mill, has a 50-year contract with Howe Sound Pulp Co. for the supply of raw materials to the mill either in the form of logs or chips. To carry out this contract, the CFP sawmill at Eburne, near Vancouver, is being equipped with additional hydraulic barking and chipping capacity, and it is probable that similar units will eventually be installed at Port Mellon, too.

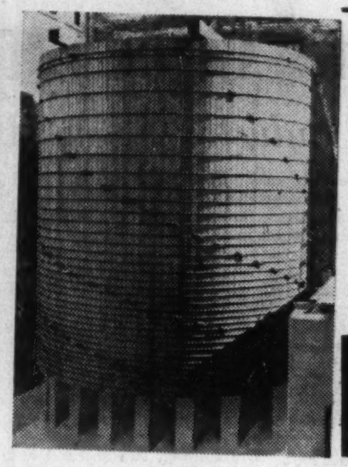
H. R. MacMillan Co. has large-scale expansion going forward at the new bleached sulphite mill at Harmac, near Nanaimo, which will eventually be integrated with the Bloedel operation at Port Alberni when the amalgamation of these two companies is completed.

Eight digesters are being added to the four already in use at Harmac. The warehouse and deep-sea dock facilities are also being increased, and the over-all expenditure represents an addition of about $18 millions to the $19 millions spent on the plant as originally constituted when it was first opened last year. Additional water supply is also being obtained from the Nanaimo Lakes system.

The screen room is being doubled in size, and so are the high density and screening sections, along with a completely new recausticizing system with lime kiln. A new system of pneumatic chip handling is being installed between the storage building and the mill. Most of this program is expected to be completed by late in the summer of 1953.

Westminster Paper Co. at New Westminster has installed a new paper machine which will have the effect of virtually doubling the production of this tissue and specialty mill.

A few miles up the Fraser River the Pacific Veneer Division of Canadian Forest Products has doubled the size of its hardboard plant which turns to profitable account large quantities of refuse from the plywood operation.



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The H. E. MOTT COMPANY LIMITED BRANTFORD, ONTARIO

Building Paper Output Remains at High Levels

(Continued from page 35)

paperboard division of the company operated at capacity throughout the last nine months of the year, demand still exceeded its ability to produce, says President R. W. Mayhew.

National Paper Box sales increased substantially in 1950. Keen competition continued throughout the year, but improved efficiency in production and quality of finished products enabled the company to make a substantial increase in sales for the year, states President Mayhew.

Capital expenditures in 1950 came to $423,300. Of this, $151,200 was spent at the Victoria plant to improve production efficiency and reduce operating costs. The balance was spent at Lloydminster, where a new roofing and siding plant was being built to serve the Prairie market.

Operations at the Lloydminster plant began this year, and it was officially opened Aug. 24. Total cost of the plant is estimated at $750,000. During 1950 $1.5 million first mortgage 3¾% sinking fund bonds were issued to retire serial debentures in the amount of $750,000, to provide funds for the Lloydminster plant and to provide working capital.

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Each year forest fires, disease and insect pests consume more wood than all of Canada's pulp and paper companies.

Most forest fires are started by careless humans. Don't be a flame thrower with that dangerous match or cigaret butt. A tree is seventy years in the growing and in the replacing. Stark and burnt out forests are lost horizons of opportunity for you — and for your children's future, too.

CANADIAN INTERNATIONAL PAPER COMPANY

The Financial Post

Vol. XLV | Member of Audit Bureau of Circulations | Publication Office: Toronto September 22, 1951 | Fifteen Cents an Issue, Six Dollars a Year | No. 38

Newsprint: It's Everybody's Problem

U. S. Begins to Worry Over Long Term Supply

What's happening to the newsprint shortage? Is supply finally catching up with demand?

The recent dip in United States consumption and the building up of newsprint stocks in that country—where more than 60% of the world supply has been going — has once more brought up the question: Where are we headed in this newsprint business?

It's a problem for everybody—from the worker who cuts the logs right through the process to the publisher, the advertiser and the reader.

Not that there has been any severe drop in demand. Far from it. Canadian mills are still turning out newsprint at record levels and U. S. publishers are using it at a rate only slightly below the highest in history (1950). Consumption in Canada and shipments to other markets are ahead of last year.

But if consumption in the U. S., where nearly 90% of Canadian newsprint is sold, goes into a greater decline, how big the drop is and how much slack can be taken up by other markets is of more than academic interest to Canadians. And again, a renewal of the U. S. business boom could raise demand to levels even greater than our expanded output.

Newsprint has been bringing about $500 millions a year in foreign exchange to help Canada balance its trade with other countries and with the U. S. in particular. It has been the mainstay of the whole pulp and paper industry in Canada which this year will have a total production of more than $1,050 millions.

Where we Sell Newsprint

Here's the sales picture:

Last year Canada produced 5,278,000 tons of newsprint and shipped 5,310,000, of which 89.3% went to the U. S., 6.8% to domestic users and 3.9% to all other markets. This year the industry has been producing at the rate of about 5,450,000 tons a year, of which 88% has gone to the U. S. (first 7 months), 6.6% to Canadian users and 5.4% elsewhere.

Tonnage to each of these three sections of the market are up for the period up to the end of July, compared with a year ago. But shipments to the U. S. in both May and July were down — an unusual state of affairs on the basis of recent years.

Perhaps of greater significance, in some respects at least, is the increase in the proportion of Canadian newsprint going to export markets other than the U. S. Although it's still below prewar or even earlier postwar levels, the return of overseas buying is a healthy sign for the industry.

While the U. S. will always be our biggest single account, no business is keen to have all its eggs in one basket. And alongside the big U. S. bushel basket the European one has definitely looked pint size lately.

The overseas countries have been much bigger customers in the past than they are now. In the middle 'thirties, they were buying 650,000-850,000 tons a year, compared with an anticipated 275,000-300,000 this year and 208,000 in 1950. In the 1935-39 period, their purchases averaged 22% of all tonnage sold by Canadian mills. Even as late as 1947, 700,000 tons were shipped overseas, representing 14% of the greatly increased tonnage going to domestic and export markets (U. S. share had increased from 72% prewar to 80% by 1947).

How Much do They Want?

If the trend swings back toward overseas markets, how much newsprint would they take if it were available?

President Robert M. Fowler of the Newsprint Association of Canada said early this year that he had a compilation totaling 400,000 tons of "effective, urgent demand from overseas countries, and I am certain that this is by no means the total."

This is in addition to the 275,000 tons Canada expected to ship in 1951 outside Canada and the United States, suggesting that prewar and early postwar levels at least would result if the paper were available.

If it weren't for currency and import restrictions, this unsatisfied demand figure would undoubtedly be much larger still.

When estimating world demand and supply outlook for 1950 two years ago, the Newsprint Association calculated that there was a potential demand of 1.2 million tons overhanging the market.

Because some restrictions have been eased by several countries since that time, due to improved dollar positions and to their inability to get supplies outside of Canada, more of this potential is probably actual demand now. It would, of course, take a sharp and at the moment unanticipated change in international trading conditions to convert all of this potential into effective demand.

The hard fact at the moment is that even the relatively small amount of tonnage that overseas countries want and can pay for just hasn't been available.

This could change. One of the hazards of having so much newsprint going to United States, of course, is that a change in business activity in that country can alter the picture materially. So can relatively small changes in the level of consumption and in the extent to which consumers are building or depleting stocks of newsprint on hand.

The U. S. Picture

For instance, the U. S. has been consuming newsprint at a rate of about 6 million tons a year. A 2% drop in demand on an annual basis this amounts to 120,000 tons. Also, newsprint stocks in the hands of U. S. consumers at the end of July were 130,000 tons higher than at the same time in 1950. If publishers now feel that they have a sufficient backlog of newsprint on hand, this could mean 130,000 tons which they wont' need to acquire in the coming year. This would provide 250,000 tons which could go to other markets. And this kind of tonnage, observers point out, would make quite a hole in the effective demand in other markets.

While it is by no means certain that this is the sort of thing which is about to occur, there are indications it's not beyond the realms of possibility.

Right now, of course, the U. S. market picture is a bit of a puzzle. On the one hand, you have the spectacle of another U. S. Congressional Committee coming up to Canada early this month to look into the newsprint supply situation. On the other, you have evidence of U. S. newsprint stocks building up until, in July, they reached their highest level since the war, not only in terms of total tonnage, but also figured on the basis of the number of days' supply.

However, the two things may not be so contradictory as would appear at first glance. It's understood that the main concern of the U. S. committee was the long-term newsprint picture rather than any immediate shortage problems.

Certainly it would appear that at the moment at least, the publishers across the border are in fairly good shape from a supply point of view:

Even though the higher circulations and advertising linage have greatly increased the amount of newsprint used each day in the U. S., inventories now on hand would last longer at the current 15,200-tons-daily projected rate of consumption than they would have at the end of August, 1945, when daily use was about 9,850 tons.

U. S. newspaper advertising linage in the first six months of 1951 was 2.1% higher than in the same 1950 period. But estimated newsprint consumption in the same period was down 0.1%

(Continued on page 46)

World Production

World newsprint production (tons):

Country	1949	1950	*1951
Canada	5,176,327	5,278,585	5,500,000
U. S. A.	899,528	1,014,703	1,015,000
Argentina	2,500	2,500*	2,500
Brazil	33,750	34,000*	38,000
Chile	9,080	11,000*	11,500
Peru	1,000	1,000*	1,000
Britain	529,135	609,280	640,000
Finland	423,413	459,826	460,000
Norway	171,259	175,235	176,000
Sweden	344,867	357,904	367,000
Belgium	54,915	60,000*	66,000
Denmark	2,000	2,000*	2,000
France	292,000	310,000*	330,000
Germany—E. Zone	125,000	150,000*	150,000
W. Zone	140,000	187,000*	210,000
Netherlands	84,000	92,000*	99,000
Poland	51,000	55,000*	55,000
Portugal	2,800	3,000*	3,000
Russia	365,000	400,000*	400,000
Switzerland	50,000	55,000*	60,000
Austria	75,950	80,000*	80,000
Bulgaria	4,000	4,000*	4,000
Czechoslovakia	53,000	53,000*	53,000
Hungary	6,000	6,000*	6,000
Roumania	4,500	4,500*	4,500
Italy	77,325	99,000*	121,000
Spain	24,000	24,000*	24,000
Turkey	4,288	5,000*	5,000
Yugoslavia	8,000	9,000*	9,000
Egypt	1,000	1,500*	1,500
China	15,000	25,000*	30,000
Japan	119,774	145,281	173,000
Korea	10,000	10,000*	10,000
Australia	35,000	35,000*	30,000
Total	9,195,411	9,759,314	10,107,000

*Estimated.
Source: Newsprint Association of Canada.

Eyes of the World Are On Them

In the battle of ideas between the free world and Communism, Canadian newsprint producers hold a unique role. On their production depends much of the space available for today's ideas, tomorrow's news. By research (see P. 29) they're trying to get more paper from less wood, etc. On this and following pages, The Post reports on the newsprint industry and the individual companies.

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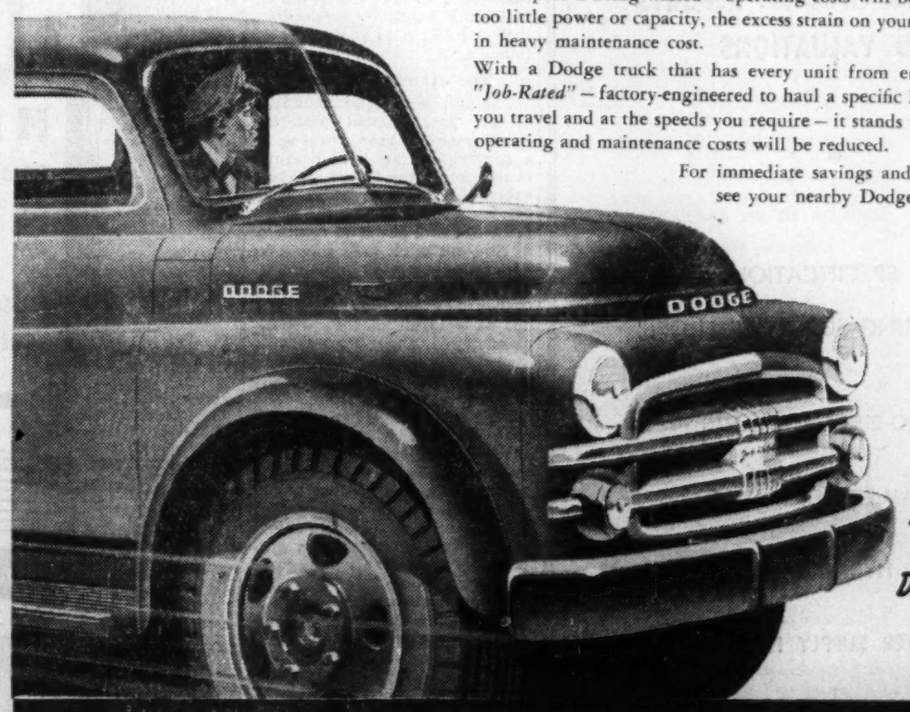

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U.S. Begins to Worry Over Newsprint Supply

(Continued from page 45)

(down 0.2% in the first 7 months; down 1%, July, 1951 vs. July, 1950).

On the surface, at least, this makes it look as though U. S. publishers are holding down newsprint consumption through increasing the percentage of advertising as opposed to editorial content in their papers. They have had a drive on recently to save newsprint in every possible way, and this may be bearing fruit.

Increase in advertising linage may also have leveled off, although there is only sketchy evidence of this available so far — too little on which to make any reliable forecast, certainly. The number of pages per daily paper and monthly advertising linage, however, were both down (5.2% and 3.4%, respectively) from 1950 in June for the first time this year, and newsprint consumption in the same month was off 3%, from a year earlier. (Linage and consumption were still about 5% higher than June, 1949, and well above earlier postwar years, nevertheless.)

The evidence of the increase in stocks is also not conclusive. Publishers are said to be expecting a big fourth quarter consumption, possibly greater than any previous year. The summer is always a stocking-up period in preparation for the fall, so inventories usually show a rise through July, August and into September, and drop off again in October, November and December. So it's not at all unusual to have peak or near peak inventories in midsummer. But it would appear a bit unusual to have them at record levels and still have the buying for inventory accumulation continue.

Outlook for Production

What is in the production picture so far? Both Canadian and U. S. mills are turning out newsprint at capacity levels or better. And the capacity is being steadily increased. This brings up another factor in the problem of trying to calculate just how big the current shortage is.

Although it's true that U. S. consumption has only really leveled out (at a very high level) so far and hasn't shown much inclination to go more than a slight distance downward, one has to consider that Canadian output to the end of July was up 5.6% (170,000 tons) and U. S. output 11.9% (70,000). In the same period, U. S. imports from Europe increased by 22,000 tons. So there were more than 250,000 extra tons available in North America in the first seven months of this year, at a time when consumption has been relatively steady.

It's not surprising, therefore that most of the extra Canadian tonnage that has become available this year so far has gone to markets other than the U. S. Canadian shipments to all markets up to the end of July were 4.3% (130,000 tons) higher, but the increase in tonnage to U. S. was only 1.8% (48,000 tons). In two of the last three months on which figures have been released, Canadian shipments to the United States were down from the corresponding months of the previous year for the first time since war's end.

Thus if over all of 1951, total Canadian shipments (5,310,000 tons in 1950) are up by the same amount as in the first seven months (4.3%) and shipments to the United States in the last five months just equal last year's showing, there would be 730,000 tons available for Canada and other markets. If Canadian users continue to take newsprint at the same rate as in the seven months period (about 2%), that would leave 370,000 tons for overseas markets, against the 275,000 predicted for the beginning of this year.

Next year, if U. S. accumulation of stock has actually stopped and if U. S. consumption remains fairly constant, or declines, they are likely to get still more tonnage.

The Overseas Shortage

The pulp and paper committee of the International Materials Conference has been carrying on a survey and has held hearings to determine the actual shortage overseas. Since early summer, this body has tabulated the newsprint needs of about 70 countries to find out what help should be given those unable to obtain adequate supplies. Results of their survey haven't been published, but as a result of their recommendations, about 12,000-13,000 tons were shipped to several countries which were critically short.

The IMC hasn't had an easy time deciding when a country really needs newsprint. For instance, France has been criticized in some quarters because it asked for (and got) tonnage from this side of the Atlantic, only a short time after it had been shipping its domestically produced newsprint to dollar markets at premium prices. Others which had broken contracts with Canadian mills have also been among those seeking allocations.

So far, the allocations recommended have been based on emergency rather than over-all requirements. While there is some pressure to have allocations placed on a long-term basis, it's thought such a plan would meet with little support from the publishers from whose tonnage the allocations would have to be subtracted.

Both publishers and manufacturers would prefer to see as much as possible worked out through normal commercial channels, rather than through any rigid allocation system. They have backed the recommendations made so far, and have gone on record as favoring help for needy overseas countries in the interests of keeping the non-Communist countries strong. But they aren't keen on making the allocation system a permanent feature of newsprint trade.

Now it looks as though the normal operation of supply and demand will help out their side of the argument. Although there may be some further allocations, it's thought they will be small. Those countries which don't get allocations may find, if U. S. demand remains level, that they'll be able to get at least some of their requirements before too long.

The Sulphur Shortage

Prospects of improved supply are based, of course, on the supposition that there will be no let-up in production. There is some uneasiness in the industry about the production picture, centred mainly on the current sulphur shortage and a possible shortage of labor.

Most producers should get through 1951 without having to curtail output; beyond that the outlook isn't too clear. The industry has been obtaining all but about 1% of the sulphur it uses (around 285,000 long tons this year) through imports, mainly from the U. S.

Imports this year are expected to be about as high as in 1950, but there is concern for prospects in early 1952. The industry, which expected to have its supplies cut by 15% this year, was aided by special supplemental supplies shipped to Canada, and it's not known whether similar shipments will be made again. If they don't materialize, the mills may have to cut newsprint output, because their sulphur inventories are being depleted.

Newsprint output would be affected because sulphite pulp, into which most of the industry's sulphur goes, represents 8%-20% of the final product. The industry has been looking into every possible means of assuring future supplies, through development of new Canadian sources, such as pyrites, natural gas, smelter gas and recovery of sulphur from waste sulphite liquor; and through reduction of the amount of sulphur required per ton of sulphite, and the amount of sulphite required per ton of newsprint.

Considerable progress is being made along these lines, but in most cases, it will be some time before the new schemes can come into play. Some are still in the experimental stage.

Nevertheless, by 1953 it's hoped there may be an additional 100,000 long tons of sulphur available from various domestic sources. Also, new sources outside Canada will have been added. If usage doesn't grow faster than supply, these additional sources should ease the situation considerably.

In the meantime, sulphur supplies are dwindling and there may have to be a cutback in pulp and paper production before some of the new measures can become effective.

The labor picture

Up till now the labor shortage about which the industry is concerned, particularly woods labor, hasn't resulted in any over-all

(Continued on page 47)

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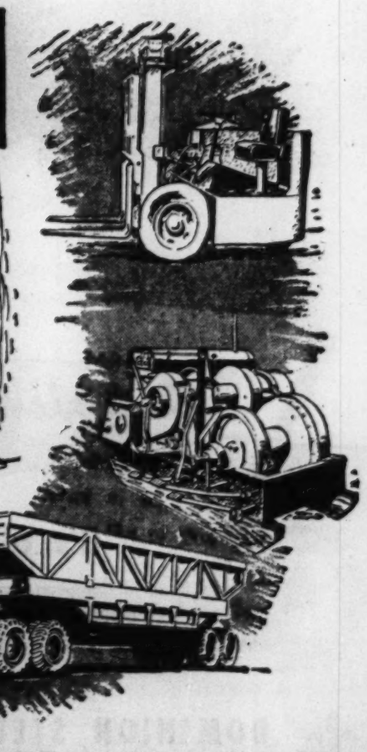

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What Newsprint Firms Are Doing

(Continued from page 46)

reduction in output. The harvest last fall and winter was a record. But the industry is planning an even greater cut this coming season, and because of the activity in other sections of the economy, it's becoming increasingly tough to obtain the necessary manpower.

There are other worries, too, including difficulties in getting steel and equipment needed to expand or even maintain output. If one or all of these situations become still more serious, it may mean that some of the improvement in newsprint output that might occur otherwise, will not materialize.

There's only one new newsprint mill under construction (Elk Falls Paper Co. at Duncan Bay, B.C. with initial capacity of 75,000 tons annually scheduled for completion early next year). But through machine speed-ups and improvements, the industry will have a bigger potential at the end of this year than at the end of 1950. Rated capacity this year is 5,360,000 tons per annum and output has been running at 3% above this rate recently, indicating that further expansion has been achieved during the year. Rated capacity in 1950 was 5,227,000 tons.

A new mill at Edmonton has been under consideration, but latest word from its promoter, R. O. Sweezey, is that only a groundwood mill is now planned initially. No construction has been started, other than some preliminary work on the site in the summer of 1950.

Elsewhere in the world, there are few additions to capacity. New machines are being installed in the U. K., but some present equipment will be taken off newsprint production. A mill in Australia has been expanded from 32,000 to 75,000 tons per annum, but due to drought, additional capacity is just now coming into use. Other projects have been reported under consideration in Canada, the U. S., New Zealand, India, Austria and elsewhere, but so far few have shown any sign of materializing, in the immediate future at least.

The Canadian industry appears to be in a good position competitively. It produces about 54% of total world output, it's in a strong financial condition and it has the biggest market in the world—the United States, using 60% of the world's supply—right next door. And in both Canada and the U. S., the trend of consumption has been up.

If international trading conditions improve and overseas markets approach the market potential of which they're capable, there's lots of room for still greater sales, backed by our large forest resources which through improved forest management and sufficient economic incentive can provide us with lots more raw material than we're now using.

Newsprint Capacity and Output

Here's Canada's newsprint capacity and production: in 000's of Short Tons of 2,000 Pounds

Year	Rated Annual Capacity	Actual Production	Operating Percentage	Actual (a) Production	Value (a) 000's Dollars
1925	1,823	1,619	88.8	1,537	$106,269
1926	2,121	2,068	97.5	1,889	121,065
1927	2,716	2,290	84.3	2,083	132,287
1928	3,281	2,612	79.6	2,414	144,147
1929	3,468	2,984	86.0	2,725	150,800
1930	3,848	2,791	72.5	2,498	136,182
1931	4,217	2,516	61.8	2,227	111,420
1932	4,142	2,186	52.8	1,919	85,504
1933	4,149	2,282	55.0	2,022	66,960
1934	4,182	2,911	69.6	2,605	86,811
1935	4,263	3,083	72.3	2,765	88,436
1936	4,218	3,535	83.8	3,225	105,215
1937	4,211	3,998	94.9	3,674	126,424
1938	4,535	2,893	63.8	2,669	107,051
1939	4,633	3,175	68.5	2,927	120,859
1940	4,716	3,770	79.9	3,504	158,447
1941	4,703	3,771	80.2	3,520	158,925
1942	4,763	3,455	72.5	3,257	147,074
1943	4,678	3,219	68.8	3,046	152,963
1944	4,726	3,265	69.1	3,040	165,655
1945	4,672	3,592	76.9	3,324	189,024
1946	4,641	4,506	97.1	4,162	280,810
1947	4,729	4,820	101.9	4,474	355,541
1948	4,883	4,983	102.0	4,640	402,100
1949	5,113	5,176	101.2	5,187	467,976
1950	5,227	5,279	101.0	Not available	
1951	5,360	5,500	102.7	Not available	

*Estimated

(a) Dominion Bureau of Statistics figures. These do not include Newfoundland, except in 1949, but do include relatively small quantities of hanging paper, poster paper, and side runs for pulping.

Abitibi

Abitibi Power & Paper Co., directly and through subsidiaries, manufactures newsprint, sulphite pulp, printing and fine papers, and paperboard. It is one of the world's largest manufacturers of pulp and paper, having an annual manufacturing capacity which includes 690,000 tons of newsprint, 65,000 tons of bleached sulphite pulp and 31,000 tons of unbleached sulphite pulp, 75,000 tons of fine paper and 34,000 tons of corrugating board.

Properties include six newsprint mills located at Iroquois Falls, Fort William, Port Arthur and Sault Ste. Marie in Ontario; Beaupré in Quebec and Pine Falls in Manitoba. A bleached sulphite mill is located at Smooth Rock Falls, Ont., and a corrugated board mill at Sturgeon Falls, Ont. In addition a new hardboard plant with a capacity of 50 million sq. ft. per annum has been completed recently at Sturgeon Falls. Company also has hydro-electric plants with a rated capacity of 125,000 hp located on the Abitibi River at Twin Falls, Iroquois Falls and Island Falls and at Smooth Rock Falls on the Mattagami River and Sturgeon Falls on the Sturgeon River.

Its subsidiary, Provincial Paper Ltd., operates mills for the production of fine paper at Port Arthur, Thorold, Georgetown and Mille Roches, Ont.

The company now also owns 50% of the issued and outstanding common shares of Alaska Pine & Cellulose Ltd. (formerly British Columbia Pulp & Paper Co.) which owns and operates two dissolving pulp mills on the Pacific Coast with a capacity of 130,000-140,000 tons of chemical pulp per annum and which, through its subsidiaries, Alaska Pine Co. and associated companies, carries on in British Columbia one of the largest lumbering businesses in Canada.

Production during 1950 included 686,225 tons newsprint paper, 73,882 tons printing and fine papers, 58,960 tons bleached sulphite pulp, 5,286 tons unbleached sulphite pulp and 35,915 tons paperboard.

Capital expenditures on plant and equipment totaled $5,078,845 in 1950—substantially less than the annual expenditure in recent years and in accordance with the current policy of spending approximately the amount of the depreciation charges on improvements and additions to physical assets. The more important projects were: the hardboard plant at Sturgeon Falls, new boilers at Iroquois Falls and Pine Falls, new pump house at Port Arthur, renovation of one paper machine at Port Arthur, extensive renovations at Thorold mill of Provincial Paper and installation of machine coating equipment on the second machine at Port Arthur mill of Provincial Paper.

Abitibi's consolidated net profit amounted to $12,623,833 in 1950—29.1% higher than the 1949 net of $9,780,947. This was equivalent to earnings of $12.02 a preferred share and $8.90 an old common share.

For the first six months of 1951 consolidated net profit was $5,441,158, equivalent to $1.25 a share on the 3,725,082 outstanding common shares. This was down 10.3% from the comparable 1950 net of $6,065,138, equivalent to $1.38 a share on the common shares presently outstanding. Consolidated net sales were up 18.7% to $53,462,834 ($45,048,264 for the first six months of 1950).

Increasing costs and increasing taxes both were important factors in the results in the first half of this year, President D. W. Ambridge said. Profits were down in spite of the continued demand for pulp and paper products which exceeds the supply.

Capitalization outstanding at June 30, 1951, consisted of $6 millions 3½% first mortgage serial bonds due April 1, 1952 to 1957, $28,022,000 3½% first mortgage bonds due April 1, 1967, $10 millions 4¼% convertible debentures due June 1, 1961, 1,141,239 preferred shares, par $20, and 3,725,082 n.p.v. common shares. In addition Provincial Paper Ltd. had 20,000 4% preferred shares, par $50 outstanding. The former common stock was split on a three-for-one basis following approval by shareholders at the April 12, 1951 annual and special meeting. Dividends are being paid on the present common at the rate of $1 a share a year.

Anglo-Canadian

Anglo-Canadian Pulp & Paper Mills Ltd. manufactures newsprint, unbleached sulphite and paperboard at its Quebec City mill. Annual capacity totals 220,000 tons of newsprint, 43,000 tons of sulphite and 20,000 tons of paperboard.

The company holds 3,177 sq. miles of timberlimits containing an estimated 22-25 million cords of merchantable timber. Woods operations are conducted from Forestville, about 180 miles from the mill.

Actual production in 1950 totaled 200,000 tons of newsprint, 21,000 tons of sulphite and 5,500 tons of paperboard. The company's four newsprint machines and sulphite drying machine were operated at capacity throughout the year, while paperboard production was started in July. Production figures for the next two years are estimated at 220,000 tons of newsprint, 43,000 tons of sulphite and 20,000 tons of paperboard for 1951 and 235,000 tons of newsprint, 70,000 tons of sulphite and 24,000 tons of paperboard for 1952, it was stated recently in the prospectus covering a secondary offering of Anglo-Canadian common shares. Ultimate capacity of the present equipment without further major capital addition is estimated to be 250,000 tons of newsprint, 70,000 tons of sulphite and 30,000 tons of paperboard.

Net profit for 1950 rose to $3,001,351 from $1,605,912 in 1949.

Earnings and net profit for this year are expected to be somewhat higher than in 1950, the company reports, due to increased output and higher prices for pulp and paperboard. Presently, it states, production is at capacity, which has been increased by approximately 10% over 1950.

Last year, installation of the board machine was completed. Since then, manufacture of a number of different kinds of board has been carried on, while additions to the original installation are being made to enable production of a still wider range of board products. Other improvements and additions made during 1950 included closing-in the outside barking drums to permit operation during the winter, changes needed to increase the speed of one of the paper machines, installation of additional transformers and another substation, etc. Installation of another three digesters, plus the necessary building, was started. These are expected to be in operation this year.

Capitalization of Anglo-Canadian consists of 1,500,000 authorized, 1,050,000 outstanding, no par value common shares. The Daily Mirror Newspapers Ltd. holds a majority of the outstanding shares. In May of this year, a secondary offering of 40,000 common shares was made by Wood, Gundy & Co. The latter entered into an agreement with the Daily Mirror Newspapers Ltd. providing for sale of the shares, for an option on another 40,000 shares at $31.50 each and another 40,000 shares at $35.50 each, and for the right of first refusal of purchase of any other shares which the

(Continued on page 50)

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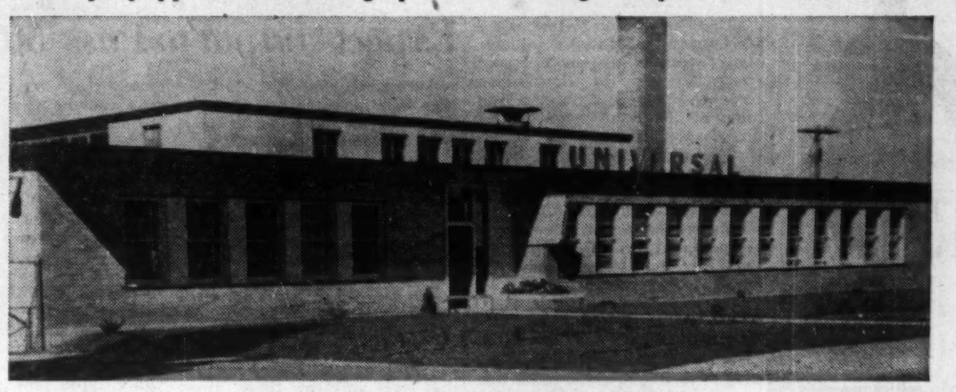

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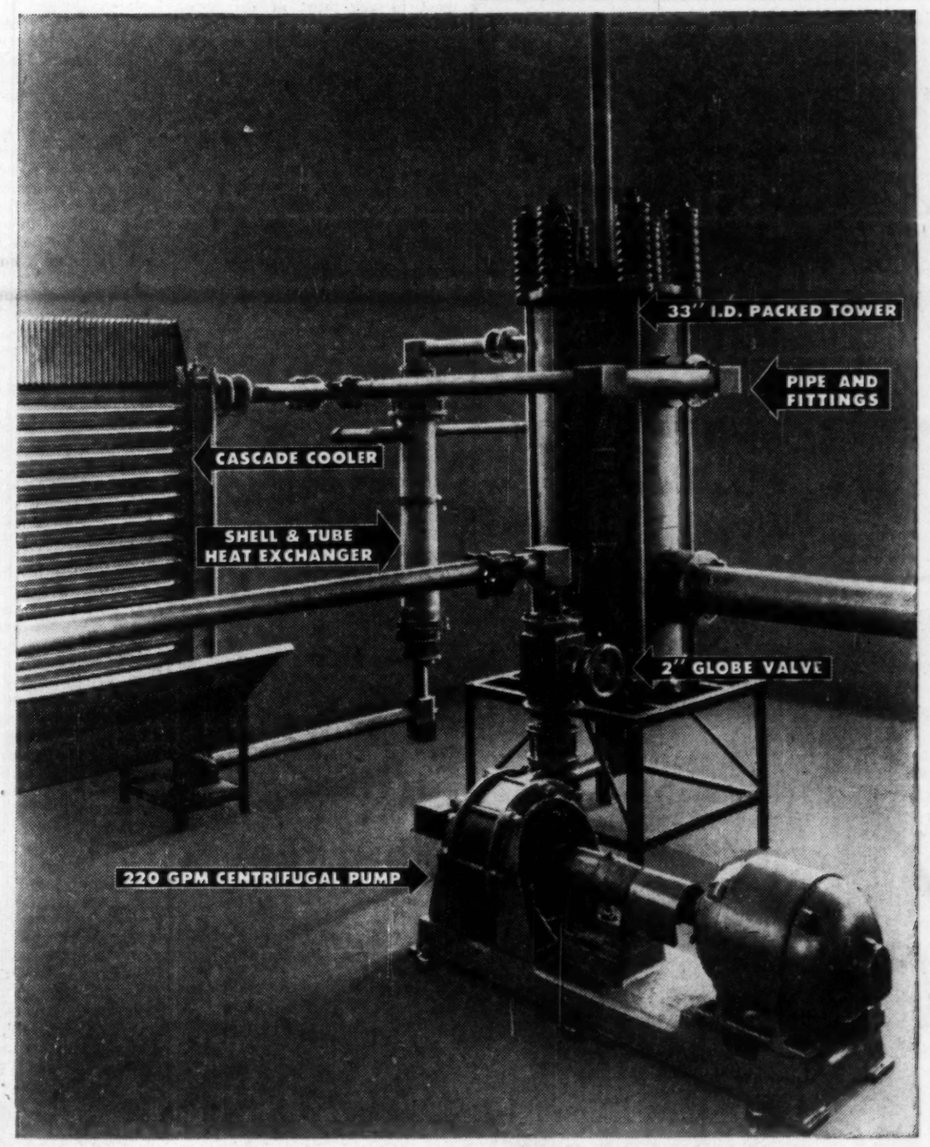

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Fine Paper Industry Expanding Capacity by 43%

Expect Output to Pass '50's Record $50 Millions

The manufacture of fine papers in Canada is essentially a domestic proposition. Although a small tonnage goes to the export market, it represents only a fraction of the total output of the fine paper industry.

This situation, as in the case of the rest of the paper and board industry except newsprint, is due to the tariff walls which have been built up against fine papers in potential foreign markets, particularly the United States.

Thus the growth which has taken place in the industry reflects more than anything else the increase in Canada's population and the greater per capita use of paper by Canadians.

Total production of fine papers in Canada last year was 235,000 tons greater than the previous record production of 1948. Value was estimated at close to $50 millions.

This year's output is expected to be even higher. Demand has been strong, and the fine paper companies have been adding to their capacity. The three largest, Howard Smith Paper Mills, Provincial Paper and E. B. Eddy Co., announced earlier this summer they were in the process of boosting their annual capacity 43%, from 150,000 tons to 215,000.

Steady Upward Trend

There was very little increase in the output of the industry from the mid-twenties until just before the war. Like the rest of the pulp and paper industry, the fine paper companies felt the weight of the depression years and found the going fairly tough.

The output in 1920 was 73,000 tons. In 1938, it was 74,000. In the interval, production exceeded that level very few times, never passed 80,500.

Since then, however, there has been a steady trend upwards, and only in one year (1949) was there a decline — and that proved temporary. Last year's production represents a 200% increase over the 1938 level.

What is a "fine paper"? There's no clear line between fine papers and some of the specialty-type papers made by fine paper manufacturers. However, the producers normally divide their fine paper output into four main classes: bond and writing papers, book papers, groundwood book papers (more than 50% groundwood) and miscellaneous fine paper.

Groundwood book is a borderline entry in the fine paper group, might be called a half-tone news grade paper. Also many of the "miscellaneous fine" such as container paper for milk containers, blotting paper and so on, could easily be included in the specialty group.

The slight amount of confusion arises mainly from the fact that most fine paper makers also produce a lot of other items, which can be made easily on the machines and equipment they use. For instance, one mill whose main product is wrapping paper also produces rotogravure paper.

Background of Growth

One of the reasons why the variety of fine papers is so great can be found in the background of the industry's growth. Canada used to get most of its paper through imports from the United States and Britain. The types of paper produced for the same purpose were different in the two countries.

For instance, letterhead paper in the United States is generally bond paper. In the U. K., it's made of a grade known as "superfine writings."

To compete with imported products, Canadian paper companies had to make something in line with consumer tastes built up by this dual allegiance in the Canadian market.

Another factor is the protection of our own tariff structure. As Canada grew and with it, its paper needs, fine paper companies kept a close watch on imported items in which volume was building up. When business reached a point where it became economically feasible to produce them in sufficient volume in this country to compete, the Canadian mills would step in promptly.

Paper and paper goods imports (except in the form of books, magazines, wrapping and containers for imported products, etc.) amount now to only about $20 millions a year for all grades, of which writing and printing papers account for perhaps $2 millions. This is a very small part of the total market.

Volume of business has grown to a point where in some grades at least, we're not far from the point where we could compete successfully with large producers such as the U. S. For instance, Provincial Paper now has two machines making nothing else but machine-coated book papers. Other types now getting up to large volume items are sulphite bonds and offset papers.

This would be important if any international move were made to remove the present tariff barriers. Any sudden removal of tariffs now would leave our industry in a vulnerable position because it is based on a wide variety of relatively small production items. To compete with the U. S. and other countries, it would have to revamp its set-up, concentrate on the types it could make best.

This would involve a good deal of expense and a change in the whole approach. But it would open much bigger potential markets to our fine paper industry.

U. S. Tariff Barrier

The big snag, and one which has placed discussions of such possibilities in the realms of pure theory, is the reluctance of the United States to make any move to cut tariffs. It has built up a large industry and it hasn't shown any inclination to let economics take over from politics.

We wouldn't have an overpowering advantage in our favor from an economics point of view. There are resources of cheap wood and know-how, particularly in the Southern States, which are comparable to our own. But it's pretty certain that in at least some items, if we could go on a true mass production basis, Canadian fine papers could hold their own with any now made in the U. S.

Even though the picture doesn't look too bright at the moment, it's known that preparatory moves have been made by some in the industry looking to the day when the 150 millions to the south may become potential fine paper customers.

What of the outlook within Canada? There are no accurate figures on consumption of paper such as are available in the U. S. This stems from the fact that the U. S. makes most of its own manufactured goods and the paper it uses. Canada, however, imports a large volume of manufactured items in paper cartons, containers, etc., as well as magazines, books and the like on which there are no tonnage figures.

Expansion Plans

However, since 1939, shipments of book and writing paper by Canadian producers have been increasing at the rate of 5.3% compounded annually experts say. Their confidence that this isn't just a flash in the pan is seen in the expansion which has been going on in the industry.

Howard Smith Paper Mills, for instance, recently announced a $14 million expansion program which includes additional paper capacity and a new kraft pulp mill at its Crabtree Mills division, and expansion of its building board capacity at its subsidiary, Arborite Co. Arborite is a by-product developed by the company. The company expects to have 18,000 tons more capacity available for fine papers next year than it had in 1950 due to projects already under way at Cornwall.

At Merritton it's adding another paper machine to step up capacity for glassine, grease-proof and other similar papers about 5,000 tons annually. The company is also making additions, like the kraft mill at Crabtree Mills, to support this additional output.

At Cornwall, its soda pulp capacity is being increased by 25,000 tons a year, part of which will be used at Cornwall and other divisions, and the remainder made available for sale in the open market. New boiler plants are being installed at both Cornwall and Merritton.

E. B. Eddy Co. has been continuing its recent program of replacing its coarser papers by finer grades. As mentioned earlier, Provincial Paper has expanded its capacity at Port Arthur plant.

Demand Strong

All the companies report strong demand. Rolland Paper which specializes in some of the rag papers, reports sales at the highest in the company's history. Similarly favorable reports are indicated in the rest of the industry.

Despite price increases, there seems to have been no let-up in the orders. And at the moment, producers don't see much indication of one in the near future.

As in other sections of the industry, production is threatened by the current sulphur shortage, because sulphite pulp, into which most of the sulphur used by the industry goes, is one of the most important pulps used by the industry. It also uses others, including rag pulp (made from linen and cotton rags, also from flax straw and raw cotton), kraft and soda pulp, and groundwood.

Productionwise, the fine paper companies expect to get through 1951 all right, but 1952 is expected to be a critical period for sulphur supplies unless supplemental shipments are made to tide over producers until some of the new Canadian sources now being developed get into production.

What's the outlook for prices? At the moment, producers can't see much prospect of change from the present upward trend. Costs continue to climb, and until they level off, there's not much chance of any lowering of paper prices.

Alliance

Alliance Paper Mills Ltd., a wholly-owned subsidiary of Howard Smith Paper Mills Ltd., operates two paper mills and a sulphite mill at Merritton, Ont., and a coated paper plant at Georgetown, Ont. Through one of its subsidiaries, Don Valley Paper Co., a specialty mill is operated at Toronto, with a capacity of 5,400 tons annually. Another subsidiary, Lincoln Pulp & Paper Co., holds, by crown lease, 281 sq. miles of timber limits at Little Cascapedia, Que.

Alliance manufactures bleached and unbleached sulphite pulp and various paper products. Its Merritton paper mills produce tag and folder stock, board, heavy wrapping papers, covers, specialties, poster and blanking stock, waxing paper and cellucine, manifold, carbonizing and onion skin, greaseproof and glassine and sulphite specialties. Bleached and unbleached sulphite are also produced at Merritton, while the Georgetown plant manufactures coated stocks, such as book, litho, label, tag stock, board, flour sack paper and other specialties.

Don Valley Paper Co. turns out bags, covers, blotting and many specialty papers and Bristols.

Total annual capacity of the various Alliance plants is as follows: two paper mills, with two fourdrinier machines of 10,000 tons capacity and a cylinder machine of 4,000 tons capacity; a

(Continued on page 49)

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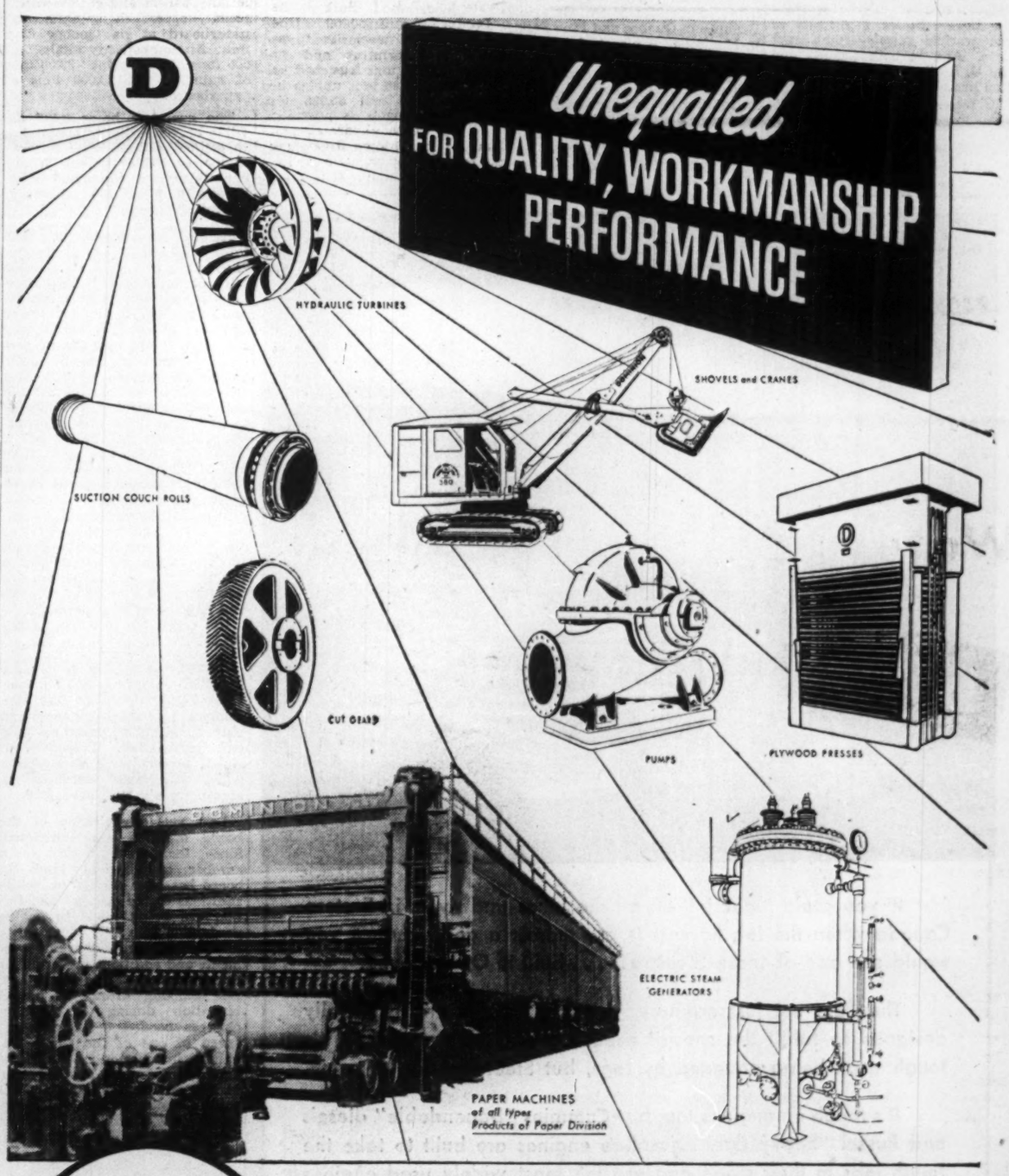

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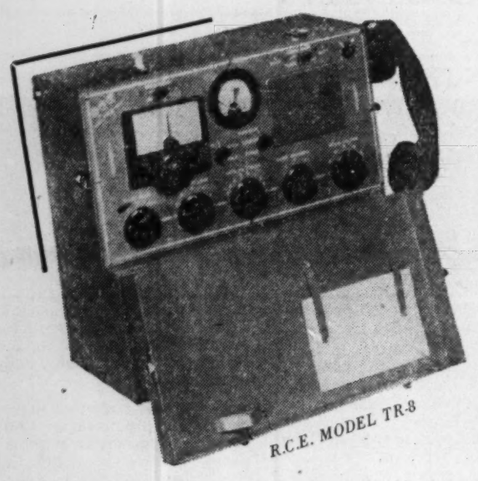

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Fine Paper Industry Expanding Capacity

(Continued from page 48)

sulphite pulp mill of 30,000 airdry tons; and a coating plant of 7,500 tons.

Last year in the Merritton division a "chlorination" system was added to the bleaching plant of the Lincoln mill to further improve the sulphite pulp being made. Major project at the Don Valley Paper Co. was conversion to 60-cycle power, meaning that all electric motors had to be replaced with as little interference to production as possible.

Financial and operation statistics of Alliance Paper are consolidated with those of the parent company, Howard Smith Paper Mills Ltd.

E. B. Eddy Co.

E. B. Eddy Co., a subsidiary of Eddy Paper Co., manufactures and distributes a wide range of products including fine papers, specialty and hanging papers, tissue products, paper bags, newsprint and paper board.

Over 80% of its newsprint is sold under long-term contract, while other products are distributed throughout its sales organization in Eastern Canada, and branch warehouse at Halifax and through agents in Western Canada. Some products are sold by the sales organization in the U. S. and to overseas markets. Sales to sterling areas now represent a very small part of the total.

Plants on the Ottawa River at Ottawa, Ont., and Hull, Que., have a combined rated capacity of 150,000 tons annually of finished products. Last year $947,625 was spent making necessary replacements of capital assets and improving economy and efficiency of operations. An estimated $839,000 will be needed in 1951 to complete capital jobs under way at the year-end while it is proposed to supplement this with about $1,800,000 to be spent on new projects this year.

Timber limits, leases and licenses to over 5,800 sq. miles are held, about 4,000 of which were acquired from J. R. Booth Ltd. These provide an estimated potential perpetual yield of 160,000 cords annually, against a present annual consumption of about 180,000 cords. Timber reserves are conserved through purchase of about 50,000 cords annually of private lands wood. Bulk of the timber resources is located in the Gatineau and Ottawa River watersheds, permitting use of these rivers for driving logs to the mills.

About 60% of the company's power requirements is provided from its three hydro-electric plants on the Ottawa River, one on the Hull side and two on the Ottawa side. Gatineau Power Co. supplies the balance.

During 1950, total tonnage sales of all grades of paper and paperboard amounted to 123,887, off somewhat from 125,964 in 1949 and 127,864 in 1948. The drop in 1950, it was stated, was due to a continuation of the policy of replacing coarser papers by the finer grades and also by the necessity of taking machines out of operation for major improvements. Export sales, exclusive of newsprint, showed a further drop, only 713 tons being shipped against 3,064 tons in 1949.

Consolidated net profit for the year totaled $1,247,330, compared with $962,948 in 1949.

The effect of the defense economy, it was stated in the annual report, is already apparent in increased demand for practically all products and "from this viewpoint 1951 promises to be a year of high activity." To what extent demand can be met will depend largely on availability of men and material. Profits for the first quarter of this year were above those for the same period of 1950.

Last year, E. B. Eddy Co. purchased the remaining class "B" (voting) shares of Sidney Roofing & Paper Co. Ltd., Victoria, B.C. A majority interest in this company had been acquired in 1949, with a view to broadening the company's field of operations and adding to the diversity of its products.

Eddy Paper

Eddy Paper Co. is an investment and holding company whose subsidiary, The E. B. Eddy Co. (which see) operates an integrated pulp and paper organization engaged in manufacturing and distributing a wide range of products, including fine papers, specialty and hanging papers, tissue products, paper bags, newsprint and paper board.

Capitalization of the parent company, as at Dec. 31, 1950, consisted of $8,000,000 authorized, $4,000,000 issued and outstanding, $1 cumulative convertible noncallable $20 par class "A" stock, and 600,000 authorized, 200,000 issued and outstanding, no par value common shares. All the outstanding common shares are owned by J. R. Booth Ltd.

Its subsidiary, at the end of 1950, had outstanding $6,241,000 3½% and 4½% first mortgage sinking fund bonds due June 15, 1956.

Consolidated net profit in 1950 totaled $1,247,330 or 6.24 per class A share, against $962,948 or $4.81 per class A share in 1949.

Regular quarterly dividends of 25c per share have been paid on the class "A" stock since 1946 but no dividends have been declared to date on the common shares.

Fraser Cos.

Fraser Cos., through one of its subsidiaries Fraser Paper Ltd. manufacturers and sells sulphite specialty papers and groundwood specialty papers, including bond, catalogue and waxing papers.

Its mill, at Madawaska, Maine, has an approximate daily capacity of 250 tons of sulphite specialty papers and 150 tons of groundwood content papers. Chemical and groundwood pulp, the raw products for this mill, are supplied by the parent company, being pumped in semi-liquid state directly to the plant through pipelines across the Saint John River.

Last year, the parent concern stated in its annual report, all plants except that producing groundwood specialty papers operated at capacity. The latter operated slightly under normal capacity for the first six months. Demand for all products manufactured, however, exceeded capacity to produce during the last five months of the year and total sales of pulp, paper and paperboard amounted to 243,164 tons, up 48,468 tons from the record 1948 figure.

Consolidated net profit of Fraser Cos. in 1950 was up 52.3% from 1949 and, for the first six months of 1951, a large gain over the same period of 1950 was reported.

Howard Smith

Howard Smith Paper Mills Ltd., with its subsidiaries, is the largest Canadian producer of fine and specialty papers. The organization makes over 500 grades of paper, sold throughout Canada and exported to Great Britain, South Africa, New Zealand, Australia, South America, and other countries. Pulps and by-products produced comprise bleached sulphite, bleached soda, and groundwood pulp; vanillin, a flavoring material; and tomlinite, a synthetic resin.

Through subsidiaries, the company also controls plants for manufacturing groundwood pulp, bleached and unbleached kraft and sulphite pulp, glassine, greaseproof, wrapping, toilet and coating papers, tags, paper bags, specialties, and paper and cloth base plastic laminates.

Combined annual capacity of all plants owned or controlled totals 142,400 tons of bond and ledger papers, bristol boards, offset papers, book and litho, blotting, toilet and tissue, kraft and wrapping papers, and specialties; 90,000 tons of bleached sulphite pulp; 50,000 tons of bleached soda pulp; 60,000 tons of bleached and unbleached kraft pulp; 20,100 tons of bleached and unbleached groundwood; 1,540 tons of flax pulp; 82,000 lbs. of vanillin; 350 million paper bags; and nine million flour sacks.

Plants of the Beauharnois, Cornwall and Crabtree Mills divisions are owned directly by Howard Smith Paper Mills Ltd.; those of the Windsor Mills division through Canada Paper Co.; those of the Merritton, Georgetown, and Toronto divisions through Alliance Paper Mills Ltd.; and the Montreal plant through Arborite Co.

Large capital expenditures have been made by the Company in the last few years. During 1950 it decided on a long term program of extension and rehabilitation, to be carried out in two or three stages. The first, now under way, is expected to extend over the next two years, involving a cost of about $12 millions. Main items include, among other things, installation of two new paper machines, one at Cornwall and the other at Merritton; new steam plants at both places; and an extension to the soda pulp mill at Cornwall, expected to add 75 tons or more per day to its present output. Actual expenditures on capital account in 1950 totalled $3,545,168, with forward commitments in respect of this new program totaling about $3,550,000 at the year-end.

Recently, the company stated that a program had been authorized for construction at Crabtree Mills of a sulphate pulp mill with an annual capacity of about 40,000 tons. Cost is estimated at $8.5 millions, while completion is expected in 1953. A large part of its output will be used in the company's Crabtree Mills plant, resulting in a saving of transpor-

(Continued on page 60)

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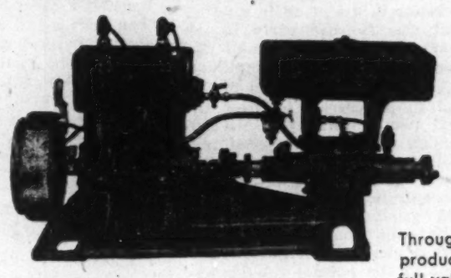

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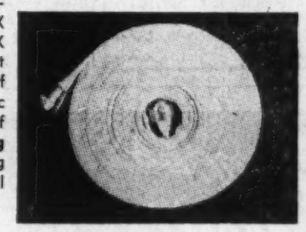

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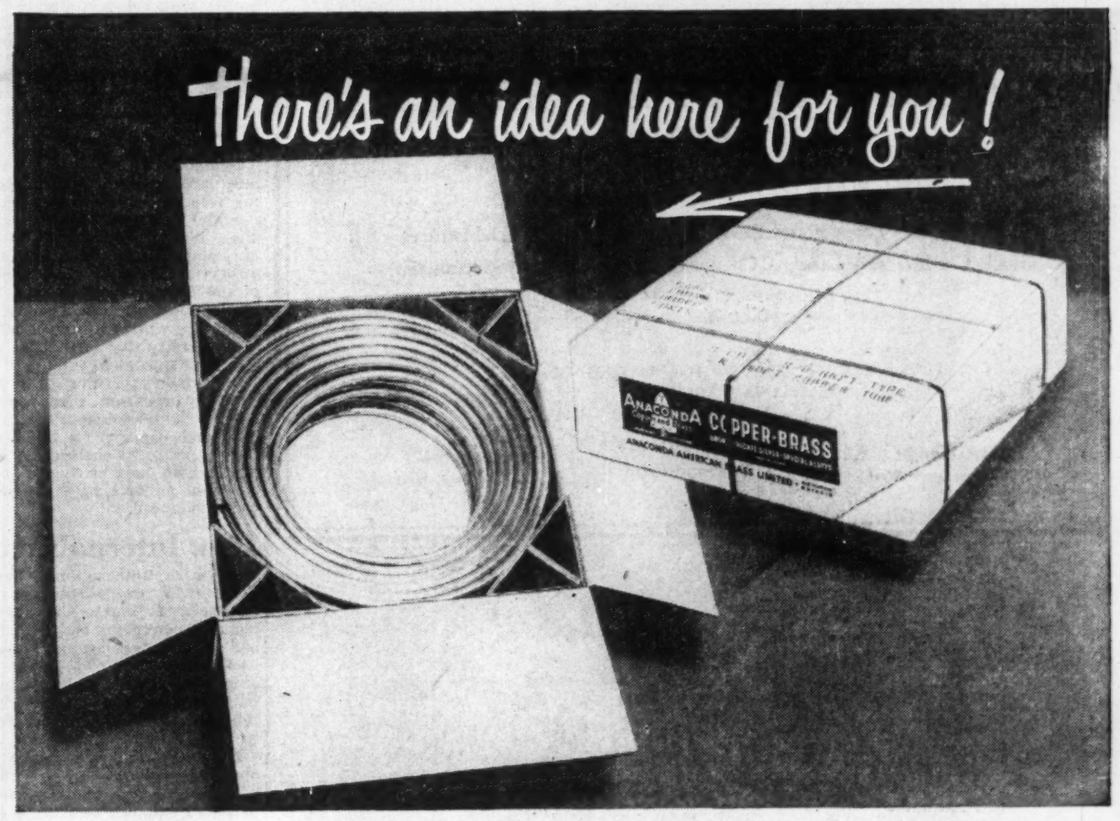

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Report On Newsprint Cos.

(Continued from page 47)

firm may desire to sell within the period set forth in the agreement.

Anglo-Canadian has acquired a 50% interest in a new company, Lignosol Chemicals Ltd., formed to process waste sulphite liquor into Lignosal, used as a road binder cement plasticizer, in tanning operations and in other uses. Lignosol Chemicals is erecting a new $1.25 million plant at Quebec City, expected to be in production toward the end of this year.

Anglo-Newfoundland

Anglo-Newfoundland Development Co. operates a newsprint mill at Grand Falls, Nfld., with an annual capacity of about 221,000 tons of newsprint. It can also produce daily up to 70 air dried tons of unbleached sulphite pulp for sale and 40 tons of miscellaneous products, including wrapper. Seven paper making machines are installed. A 190-ton daily capacity groundwood pulp mill is located at Bishops Falls, pulp produced there being pumped through a 11½ mile pipeline to the Grand Falls paper mill.

Through one wholly owned subsidiary, Gaspesia Sulphite Co., the company owns an unbleached sulphite mill at Chandler, Que., with an annual capacity of 63,000 tons. Through another, Terra Nova Properties Ltd., it is entitled to 50% of the net profits of Buchans Mining Co., an important zinc-lead-copper producer.

Shipping facilities are owned and operated at Botwood. In addition, the company owns several townsites and has its own shipping subsidiary, Montmorency Shipping Ltd.

Hydro-electric power plants are operated on the Exploits River, both at Bishops Falls and Grand Falls. Present installation capacity is 75,000 hp, with a further 50,000 hp of undeveloped power available.

Timber limits controlled extend over an area of about 7,456 sq. miles, partly freehold and partly Crown lease.

In 1945, Anglo-Newfoundland launched a large, long-range plant improvement program. Substantial progress was made on this in 1950, with capital expenditures totaling $2,161,773, and it is estimated that some $5.5 millions will be spent over the next three or four years to complete it. Conversion of the new mill furnaces to use of oil in place of coal was finished early in the year, while the program of machine speed-up neared completion.

A major project in hand now and to be carried on over the next two or three years is conversion of the groundwood mill at Bishops Falls to an expanded power generating unit, and the concentration of wood handling and grinding at Grand Falls. Other improvements are planned with a view to cost reduction as well as the normal replacement of obsolete plant and equipment.

Consolidated net profit in 1950 showed sharp improvement over 1949, rising to $5,844,133 from $2,868,585. Of this total, the parent company earned from its mill and ancillary operations and from sundry investments, other than subsidiaries, $2,290,967; its interest in Terra Nova Properties Ltd.'s profit from its mining interests totaled $3,065,241; the other subsidiaries accounted for the balance of $487,925.

Improvement in market conditions which began late in 1949, it was stated, was sustained throughout the year. Demand for newsprint, sulphite pulp and non-ferrous metals was strong and prices of all these products advanced.

For 1951, the company reports, some improvement in earnings is expected, due to increased capacity and higher pulp prices. The increase in capacity for this year over 1950 is approximately 15%, while a further 10% boost in overall capacity in 1952 is planned.

Late in 1950, Anglo-Newfoundland increased its share capital from $15 millions to $30 millions, through creation of 3 million new $5 par ordinary shares. A total of $18,328,050 was capitalized and shareholders received a stock dividend of two shares for each share held. In addition to this, a cash dividend of $2 per share was paid.

Capitalization now consists of $30 millions authorized, $27,492,075 issued and outstanding, $5 par ordinary stock. The 1950 consolidated net profit, on the basis of this new capitalization, was equal to $1.06 per share, against 52c in 1949. In June, 1951, the company paid its first quarterly dividend on the new capitalization, 15c per share.

Anglo-Newfoundland also holds a 50% interest in the recently formed Lignosol Chemicals, which is building a $1.25 million plant at Quebec City, expected to be in production toward the end of 1951.

Bowater's

Bowater's Newfoundland Pulp & Paper Mills Ltd. owns and operates a newsprint plant, sulphite plant, barking plant and power development at and near Corner Brook, Newfoundland. Products are sold in the U. S., the U. K. and the British Commonwealth through the subsidiary sales companies of the Bowater Paper Corp. and its associates, who hold the entire outstanding common stock of the Newfoundland company.

Properties include a newsprint mill with four 234-in. machines, one 120-in. machine and one 284-in. four-roll machine having a total capacity of 300,000 tons annually. Also owned is a 150-in. sulphite pulp drying machine with an aggregate annual capacity of 55,000 tons. Power is supplied by a 156,000-hp hydro-electric plant at Deer Lake, 31 miles from Corner Brook.

Its mill is situated on tidewater, open eight months of the year, and is credited with being one of the lowest cost producers in North America.

Timber holdings cover an area of over 11,230 sq. miles, 2,240 sq. miles of which are freehold and the balance held under Crown licenses. Total stand is estimated at over 20 million cords of pulpwood and, excluding the benefits of reforestation, the supply is considered sufficient to supply the mill requirements in perpetuity.

In the year ended Sept. 30, 1950, newsprint production was at a higher level, chiefly due to improved operation of the new newsprint machine, installed in 1948. The company's export sulphite mill, closed down in the fall of 1949 as a result of unfavorable pulp markets, resumed operations in April, 1950, and has been operating at capacity ever since, it was stated earlier this year.

The premium on U. S. dollar exchange temporarily offset higher production costs and trading profits rose substantially to $7,916,972 ($5,269,576 in 1948-49). Higher provision for depreciation and depletion, however ($3,044,259 vs. $1,294,705), and a new provision for federal income tax of $1,077,000, cut net profits to $2,977,710 ($3,086,131 the previous year).

Demand for newsprint, wood pulp and pulpwood throughout the free world has continued to rise and to exceed available supplies, it was stated, and efforts are being made to boost output to meet requirements of customers in the U. S., the U. K. and the Dominions for both newsprint and pulp, while cutting of pulpwood for export to the U. K. has also been resumed.

In Febuary of this year the company reported plans under way to increase capacity of its pulp and paper mills by 50,000 tons annually. Construction was expected to start as soon as possible but no date for completion was announced.

Can. International

Canadian International Paper Co., a wholly owned subsidiary of International Paper Co., manufactures newsprint and bleached and unbleached sulphite pulp. About 80% of its total newsprint output is sold to U. S. publishers, with the balance going to various countries, mainly England, Australia and Latin America.

Bleached sulphite pulp is manufactured at three mills, which produce special grades of bleached sulphite used as a raw material in manufacturing rayon, cellulose film, plastic and allied products. Some bleached sulphite is used by paper mills of the parent company and subsidiaries in the Northern U. S. Of the outside sales, all are made under contract, with about 70% going to the U. S.

Properties of the company and its subsidiaries include newsprint mills at Three Rivers and Gatineau, Que., and at Dalhousie, N.B. Bleached sulphite mills are located at Temiskaming, Que., and Hawkesbury, Ont., while saw mills are operated at Calumet, Que., and Douglastown, N.B. Other subsidiaries manufacture paper bags, sacks and envelopes, etc., insulating board and plywood.

Total annual capacity of the plants of the company and subsidiaries includes 786,096 tons of newsprint and 254,925 tons of bleached and unbleached sulphite pulp (on a 309-day basis).

Daily newsprint capacity at Three Rivers is about 944 tons, at Gatineau about 840 tons and at Dalhousie about 760 tons. Groundwood pulp capacity totals some 800 tons daily at Three Rivers, 700 tons at Gatineau and 650 tons at Dalhousie. Daily capacity of news sulphite fibre is 220 tons at Three Rivers, 180 tons at Gatineau and 190 tons at Dalhousie.

The Gatineau plant also has capacity for 200 tons daily of bleached sulphite pulp, the Temiskaming plan 367 tons and the Hawkesbury plant 190 tons. In addition, the Three Rivers plant has a daily capacity of 30 tons, the Dalhousie plant 28 tons, of wrapper.

Canadian International's timber limits comprise 21,000 sq. miles, chiefly in Quebec, considered adequate to provide requirements for the present mills in perpetuity.

Its many subsidiaries include New Brunswick International Paper Co., newsprint and wrapper; Continental Paper Products Ltd., paper bags, boxes, drinking cups, etc.; International Fibreboard Ltd., wood fibre solid insulating wallboard; International Plywood., Ltd., hardwood panels. It controls Masonite Co. of Canada jointly with Masonite Corp.

Operating statistics are consolidated with those of the parent company, International Paper Co. In its annual report on 1950 operations, the latter reported that newsprint production in Canada last year had totaled 774,484 tons against 759,244 in 1949 and 540,851 in 1940. Production of dissolving and other sulphite pulps totaled 238,620 tons (183,593 and 215,444 respectively) and other pulp and paper grades 5,470 tons (5,424 and 11,154). Insulating board production in Canada totaled 36,961 tons (33,171 and 18,693) while plywood production amounted to 13,313 tons (9,621 and nil).

During the year the annual capacity of the newsprint mills of Canadian International Paper Co. and New Brunswick International Paper Co. was increased by a total of 21,321 tons.

Consolidated

Consolidated Paper Corp. is one of Canada's largest producers of newsprint and pulp and paper products. Sawn lumber (white and red pine) is also produced. Kraft wrapping paper is sold under the name "Wayagamack Pure Kraft," Kraft paper towels under the name "Hypro," and cardboard under the trade name "Laurentide Board."

New plastic and other materials now being produced by Consolidated as byproducts of pulp and paper manufacture include "copacite," made from pulp liquor formerly wasted, which is now being used by foundries, linoleum manufacturers, canners and other industries; "copaco splicing film," being used as a joining material by the paper and textile indus-

(Continued on page 51)

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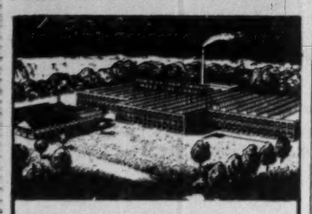

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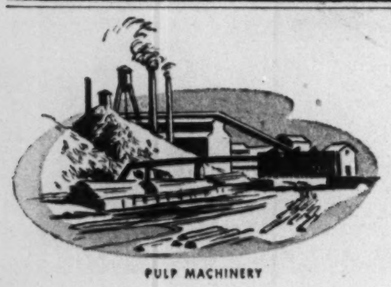

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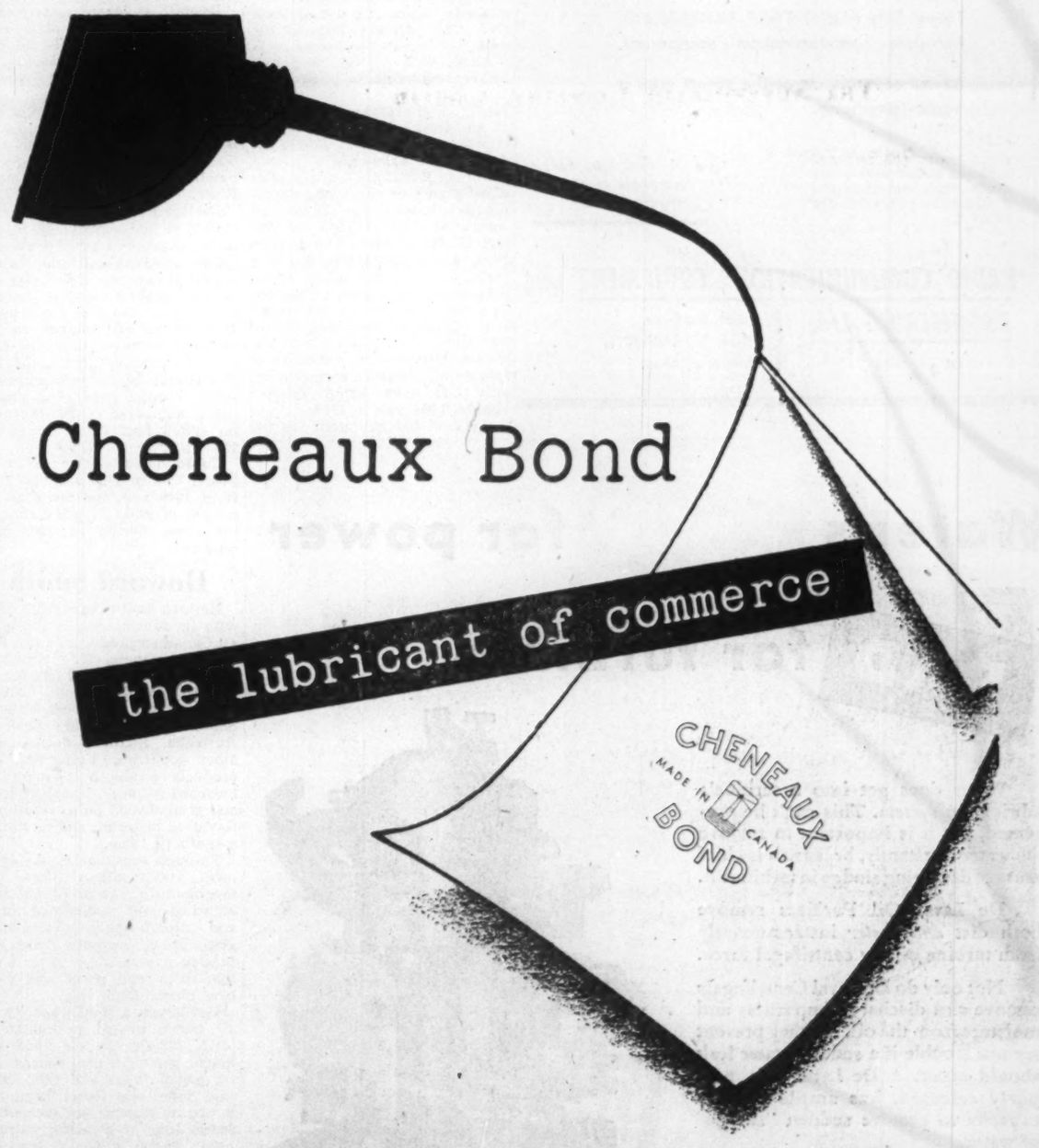

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Report on Newsprint Cos.

(Continued from page 50)

tries; and "copacol," a chemical byproduct of the kraft process, being used by soap manufacturers as a substitute for vegetable oil.

About half the company's pulp and paper products are exported to the U. S., while a considerable tonnage is sold in Canada and the balance distributed to established markets in Great Britain, Eire, South Africa, Australia, New Zealand, the West Indies, China and India. Other export destinations are Mexico, Argentine, Brazil, Uruguay and Chile.

The company owns four paper mill divisions and one sawmill division. Pulp and paper annual productive capacity as at August, 1950, consisted of 691,057 tons of newsprint, 48,506 tons of kraft paper, 19,341 tons of kraft pulp, 41,752 tons of sulphite pulp and 14,736 tons of board and wrapper. Mills are located at Shawinigan Falls, Grand'Mere, Port Alfred, Three Rivers and Cap de la Madeleine, Que. Its sawmill, at Pembroke, Ont., has an annual capacity of 16 million f.b.m. of lumber.

Consolidated controls 17,874 sq. miles of timberlands, 17,600 sq. miles of which are in Quebec, 274 sq. miles in Ontario. It owns outright 3,652 sq. miles of freehold timberlands, including the island of Anticosti; holds under license 13,914 sq. miles of Crown timber limits and has cutting rights on 308 sq. miles of other limits.

Last year, capital expenditures in the manufacturing and woodlands divisions totaled $3,605,332. Major improvements planned were held up by delayed delivery of equipment and the anticipated increase in production of newsprint was not fully realized. Sulphite mill improvements were completed at the Port Alfred division and progress was made in modernizing the electrical substation at the Laurentide division. Urgently needed bark disposal equipment was put into operation at the Wayagamack Cape mills while a similar installation with greater capacity will be completed at the Wayagamack Island mill this year. Additional barking capacity at the Wayagamack Island mill, to handle increased wood deliveries, will also be completed in 1951. At the Belgo division, the new groundwood mill started operation last February. At the end of 1950 approved but unexpended appropriation for capital expenditures for replacements and improvements of manufacturing and woodlands facilities totaled $3,663,156.

Net profit in 1950 at $12,133,660 was up 10% from 1949, equal to $4.73 ($4.29) per common share. This upward trend has continued into 1951, with net for the six months ended June 30, totaling $5,789,116 or $2.25 per share, against $2.17 per share for the same period of 1950.

For a while in the first quarter of last year, several newsprint machines were idle due to lack of demand. By April this situation was completely reversed, however, and the company ended 1950 with pressure from all markets for more paper. Earlier this year it was stated that demands for newsprint from both North America and overseas have increased and that demand for all products indicated full production for 1951.

Last May, at the annual meeting, President G. M. Hobart revealed that Consolidated plans installation of a roaster to treat Canadian pyrites, instead of using imported sulphur, to make sulphur dioxide for manufacturing sulphite pulp. Work is also being conducted, he stated, on projects to reduce the chemical pulp content in newsprint and thereby increase yield of newsprint from pulpwood; by cutting down the chemical pulp content sulphur requirements would also be reduced.

Provided the U. S. Government doesn't further curtail sulphur shipments to Canada beyond the announced 20%, he stated, present and promised supplies of sulphur will permit capacity production of newsprint until the new roaster starts operating in about a year.

At the end of 1950 pulpwood inventories were down $4 millions from a year earlier and $10 millions from 1948. These, it was stated, must be built up again to 1948 levels to sustain capacity production. This will cost more than $10 millions because of increased wood price. Sufficient funds for this purpose are invested in short-term government or government-guaranteed bonds.

Donohue Bros.

Donohue Bros. Ltd. owns and operates a pulp and paper mill at Clermont, Que. Newsprint output is sold entirely to Scripps-Howard Supply Co. and the Hearst interests, under a 10-year contract dating from Jan. 1, 1947. Mechanical groundwood is also manufactured and sold under a long-term contract.

The present rated capacity for newsprint is 60,000 tons annually. Earlier this year, however, the company announced plans for a $1.5 million expansion program to convert part of its surplus mechanical pulp into newsprint. The program provides for replacements and improvements in 1951 and 1952 to boost newsprint capacity by nearly 12% and effect further operating economies.

Last year, newsprint production climbed to 59,739 tons from 55,695 tons in 1949, while mechanical pulp production was higher at 11,807 (4,442) tons. Net profit rose a sharp 49% to $825,805 ($555,768), equal to $5.51 ($3.71) per common share.

For the first half of this year, while earnings before taxes were up substantially from the same period of 1950, higher provision for income tax shaved net profit slightly. For the six months ended June 30, 1951, estimated net profit, subject to audit, totaled $428,160 or $2.85 per share, against $433,132 or $2.89 per share the same period a year ago.

Timber limits of Donohue Bros. consist of 420 sq. miles under lease from the province of Quebec, containing an estimated 1.5 million cords of pulpwood. The company also owns a freehold of a limited area and an additional concession awarded it an area of 80 sq. miles in the Murray River watershed.

Donnacona

Donnacona Paper Co. manufactures newsprint, sulphite and groundwood pulp, and insulating board. Some 90% of its newsprint output and about 55% of its sulphite pulp available for sale is sold in the U.S., while sales of insulating board products are world-wide.

Annual capacity of the company's various Donnacona, Que., mills is 100,000 tons of newsprint, 96,000 tons of groundwood pulp, 50,000 tons of sulphite pulp (30,000 tons of which is surplus for sale), and 90 million square ft. of insulating board.

Donnacona owns in fee or leases timberlands adjacent to the St. Lawrence River, comprising practically all the stand in the watersheds of the Jacques Cartier, Sault au Mouton and Bersimis Rivers. This totals about 1,611 square miles, estimated to contain some 11.9 million cords of pulpwood. Of the total under lease or freehold, 752 square miles is company's share of the Bersimis timberlands bought by Donnacona and Anglo-Canadian Pulp & Paper Mills from Brown Corp. in 1947. Cost of the new lands and pulpwood cutting rights was $2,410,461.

The company owns directly or through a subsidiary, the D. P. Power Co., water powers on the Jacques Cartier River at its junction with the St. Lawrence, with a present development of 12,000 hp and an ultimate capacity of about 46,000 hp. Balance of the power required for the mill is purchased under an agreement with Shawinigan Water & Power Co.

Donnacona has five wholly owned subsidiaries: Quebec Paper Sales & Transportation Co., operating 10 diesel motor vessels for transporting newsprint and pulpwood; Donnacona Sales Corp., marketing and distributing products; Donnacona Improvement Co., owning part of the town site at Donnacona; Cartier Warehouse Co., warehousing products; and the D. P. Power Co., owning and operating hydro-electric power developments on the Jacques Cartier River.

Last year, production climbed to 155,804 tons from 149,233 in 1949, with net sales rising to $14,819,385 ($13,829,310). Net profit was also higher at $1,688,858 ($1,424,668).

Demand for newsprint, it was stated, was well maintained. While a drop in demand for insulating board was experienced in the first half of 1950, this situation improved in July and capacity production was maintained for the last six months. During the latter part of 1950, the extraordinary demand for unbleached sulphite pulp brought increased earnings from this source over 1949.

This demand for unbleached sulphite, it was stated, is expected to continue throughout 1951. It is possible, however, due to a world shortage of raw materials essential to the manufacture of sulphite pulp, that the mill may be forced to curtail production below the present level.

Donnacona is launching an extensive modernization program, to extend over the next three years. Estimated cost may run to about $3 millions and will include speeding up the newsprint machines, providing necessary equipment in the stock-making departments, installing additional steam generating capacity and rehabilitating the electrical substation.

Control of Donnacona has been acquired by Howard Smith Paper Mills Ltd. As at Dec. 31, 1950, Howard Smith had increased its common shareholdings to 231,747 out of 376,572 shares outstanding.

Elk Falls

Elk Falls Co. was incorporated on Sept. 8, 1950, to manufacture pulp and paper in a new mill at Duncan Bay on the east coast of Vancouver Island. The new company is jointly owned by Canadian Western Lumber Co. and Pacific Mills Ltd., each of which acquired 50% of the Class "B" voting shares for $3 millions.

The new company purchased all the share capital of Canadian Western Timber Co., (formerly a wholly owned subsidiary of Canadian Western Lumber Co.) and as a result it acquired forest management license No. 2.

The new plant, which will cost about $21,500,000 should come into production by mid-1952. Initial capacity will be about 75,000 tons of newsprint per annum with a designed ultimate capacity of about 100,000 tons per annum. The whole project, when completed, is expected to involve an investment of between $35 millions and $40 millions.

Funds for the initial investment of $21,500,000 have been provided by the sale of $13,500,000 bonds and the issuance of $8 millions in common stocks. Pacific Mills Ltd. and Canadian Western Lumber Co. have undertaken jointly and severally to purchase or cause to be purchased additional common shares if proceeds of securities of Elk Falls are insufficient to complete construction of the mill and to provide initial working capital of not less than $2 millions.

Construction work is progressing on schedule as follows:

(1) The clearing for the two mile, 30 in. wood stave pipeline which will bring pure water to the mill for the pulping operation, has been completed and about 65% of the pipe has been constructed.

(2) The off-shore dredging of approximately 300,000 yards of material has been completed. The

(Continued from page 55)

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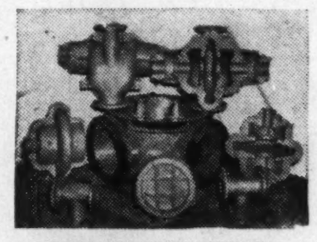
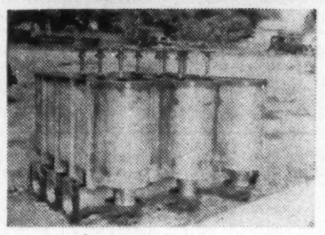
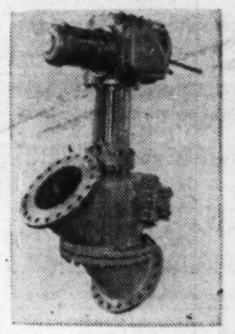


Castings of Welmet Stainless Steel



Head Box Fabricated in Welland from Weldanka Stainless Steel

Electrically operated 14" Welmet Stainless Steel Digester Blow Valve for West Coast Paper Mill



REPRESENTING IN CANADA

BROWN BAYLEY STEELS LTD.
SHEFFIELD ENGLAND

MANUFACTURERS OF BILLETS, BARS, FORGINGS, SHEET AND STRIP FOR ALL SPECIAL CARBON, ALLOY AND STAINLESS SPECIFICATIONS

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COMBUSTION ENGINEERING CORPORATION LIMITED
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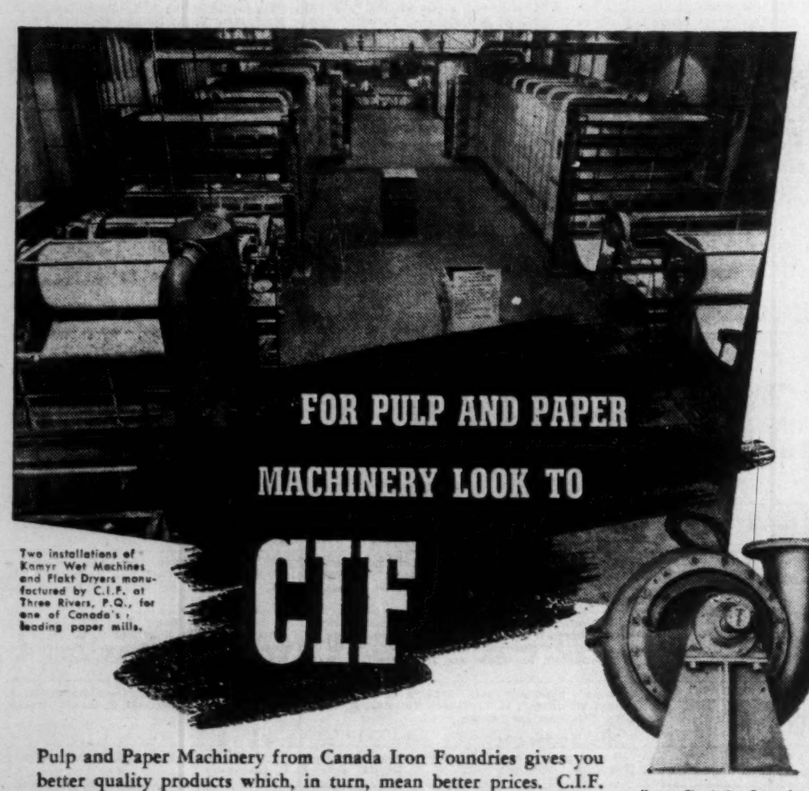
CEC — CHEMICAL RECOVERY UNITS — STEAM GENERATING UNITS — STOKERS — PULVERIZED COAL SYSTEMS — ECONOMIZERS — TODD OIL BURNING EQUIPMENT — WATER COOLED FURNACES — COAL, ASH AND CHEMICALS HANDLING SYSTEMS — AIR HEATERS

Branch Offices: TORONTO • WINNIPEG • VANCOUVER



Two installations of Kamyr Wet Machines and Flakt Dryers manufactured by C.I.F. at Three Rivers, P.Q., for one of Canada's leading paper mills.

Kamyr Circulating Pump for bleaching plant.

Pulp and Paper Machinery from Canada Iron Foundries gives you better quality products which, in turn, mean better prices. C.I.F. can supply you with machinery made to your own exact specifications, for every phase of your manufacturing operations.

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Three Rivers • Hamilton • St. Thomas • Fort William

paper

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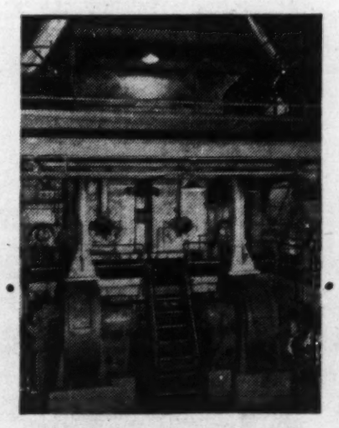
The pulp and paper industry is one of Canada's Economic mainstays, paper is a vital commodity in the Home, in Commerce and in Education, and in the spreading of information. Yet, are Canadians generally aware of the part that Foster Wheeler plays in the Pulp and Paper Industry?

FW have designed, engineered, fabricated and installed steam generating units and other equipment for sixty pulp and paper mills throughout Canada. Foster Wheeler are proud of their contribution toward making "the twentieth century belong to Canada!"



A recent installation of a 150,000 lbs/HR SA steam generator
Pulverized fuel fired
Installed in a Canadian Pulp & Paper Mill

FOSTER WHEELER

FOSTER WHEELER LIMITED

designers and manufacturers in Canada of equipment for

POWER AND HEATING PLANTS
OIL REFINERIES
PULP & PAPER MILLS

ST. CATHARINES • HALIFAX • MONTREAL • TORONTO • WINNIPEG • EDMONTON

FW-51-A

The Financial Post Statistical Record of Major Pulp and Paper Companies

Newsprint Group

Company	Year	Wood Resources Cords or Sq. Miles	Mill Capacity Annual Tons	Funded Debt $	Net Earn. $	Deprec. $	Times Int. Earned After Deprec. No.	Income Taxes $	Net Profit $	Earnings per Share Pref. $	Earnings per Share Com. $	Dividends Paid or Pay. Pref. $	Dividends Paid or Pay. Com. $	Surplus for Year $	Working Capital $	DIRECTORS
ABITIBI POWER AND PAPER§	1950	29,000	690,000	34,023,000	29,911,427	♦5,622,168	18.94	10,240,000	12,623,833	12.02	8.90	1.50	2.25	8,100,377	22,322,739	D. W. Ambridge*, pres. and gen. mgr.; H. W. Smith*, exec. vice-pres.; Allan Graydon, J. H. Gundy*, J. S. D.-Tory*, E. W. Bickle; Toronto; J. P. Ripley, New York; R. H. Reid, London, Ont.; H. J. Carmichael, St. Catharines; T. R. McLagan, Hon. Edouard Asselin, Montreal. Vice-pres.—R. J. Askin, C. B. Davis. Treas.—Howard Young. Sec.—L. B. Popham.
	1949	sq. mi.	.....	39,914,500	24,233,461	♦5,118,241	13.71	7,800,000	9,780,947	7.52	6.17	1.50	1.50	5,802,415	24,437,880	
ANGLO-CANADIAN PULP & PAPER•	1950	3,177	220,000	.....	6,350,674	1,208,427	....	2,118,923	3,023,324	....	2.88	....	1.00	1,973,324	.....	R. C. McMichael, chm., Montreal; E. M. Little, pres., Quebec, Que.; H. G. Bartholomew, 1st vice-pres., London, Eng.; W. J. Clarke, vice-pres., G. H. Bridge, treas., W. E. Soles, Quebec, Que.; W. H. Howard, Westmount, Que.; F. J. Humphrey, New Jersey, U.S.A.; The Viscount Rothermere, C. H. King, London, Eng.; J. Cooke, Surrey, Eng.; E. A. Sursham, Herts, Eng.; A. D. Fuller, Ealing, Eng. Sec.—H. D. Ruthman.
	1949	Sq. mi.	.....	.....	4,095,953	1,280,465	....	1,165,338	1,650,150	....	1.57	....	0.75	862,650	.....	
ANGLO-NEWFOUNDLAND DEV. CO.•	1950	7,500	‡280,000	.....	10,164,394	♦1,467,271	....	2,845,000	5,844,133	....	•1.06	....	†2.00	2,178,523	21,254,443	F. J. Humphrey, chm., Ridgewood, N.J.; E. M. Little, pres., Quebec, P.Q.; Philip Gruchy, vice-pres. and gen. mgr.; J. S. Gondyear, sec.-treas.; Grand Falls, Nfld., R. C. McMichael, W. H. Howard, B. C. Gardner, Montreal; The Viscount Rothermere, The Viscount Errington, A. S. Fuller, London, Eng.; E. A. Sursham, Markyate, Herts, Eng., Grenville Beckett, Redhill, Surrey, Eng.
	1949	sq. mi.	.....	.....	5,161,054	♦1,403,652	....	853,537	2,868,585	....	(•0.52)	....	†1.00	1,048,780	20,355,766	
•New (told) capital. ‡All products.																
BOWATER'S-NEWFOUNDLAND•	*1950	11,000	300,000	23,713,872	7,916,972	♦3,044,259	5.96	1,077,000	2,977,710	1.19	0.88	4½%	8%	1,892,010	17,232,554	Sir Eric V. Bowater, pres., London, Eng.; G. S. Currie, 1st vice-pres., Montreal; H. M. S. Lewin, vice-pres. & gen. mgr.; J. G. Wyllie, G. H. Carson, jt. asst. gen. mgrs.; Corner Brook, Nfld.: C. G. Heward, Montreal; A. B. Meyer, vice-pres., New York; W. A. Reid, Hon. L. R. Curtis, G. A. Winter, St. John's, Nfld.; J. H. Keeling, London, Eng.; A. Brackenridge, New York. Sec.—D. W. Timmis. Treas.—W. Herdman.
	*1949	sq. mi.	.....	24,245,880	5,269,576	♦1,294,705	4.47	.....	3,086,131	1.23	1.05	4½%	8%	2,015,631	14,357,840	
Controlled by The Bowater Paper Corp. Ltd., London, Eng. *Year ended Sept. 30.																
CONSOLIDATED PAPER§	1950	17,874	691,057	*19,550,500	26,957,885	4,658,962	23.82	9,230,000	12,133,660	....	4.73	....	1.50+0.75	6,360,234	40,716,117	L. J. Belnap*, chm.; G. M. Hobart*, pres.; Francois Faure, vice-pres.; N. J. Dawes*, W. H. Howard, G. M. Todd, R. H. McMaster*, E. A. Macnutt*, C. F. Sise, Hon. C. A. Dunning*; Montreal; H. D. L. Gordon, Toronto. Vice-pres.—Richard Collins. Vice-pres. & compt.—George Henderson, Vice-pres.—Richard Collins. Sec.—G. W. Hodgson. Treas.—D. L. Adams. *Member exec. comm.
	1949	sq. mi.	.....	*23,702,000	23,596,973	4,402,282	19.29	7,200,000	10,999,613	....	4.29	....	1.00+0.75	6,509,673	37,425,076	
*After deducting bond sinking fund payment due Mar. 1 following year.																
DONNACONA PAPER••	1950	1,611	100,000	5,720,000	4,689,164	♦1,165,440	15.74	1,610,971	1,688,858	67.55	4.18	4.50	1.00	1,209,019	4,469,511	Harold Crabtree, chm., Montreal; L. W. Michael, pres. & treas., Donnacona, Que.; E. Howard Smith, vice-pres.; Hon. G. B. Foster, J. Edouard Simard; Montreal; R. P. Kernan, L. A. Palmer, Quebec, Que.; Aubrey Crabtree, Edmundston, N.B. Vice-pres.—Hugh Mackay. Sec.—P. L. Fitzgerald.
	1949	sq. mi.	.....	5,915,000	3,319,910	♦753,832	11.32	914,648	1,424,668	56.99	3.48	4.50	1.00	935,596	5,351,629	
DONOHUE BROS.•	1950	580	°71,546	‡551,000	1,675,462	♦261,354	....	588,303	825,805	....	5.51	....	1.00+1.00	525,805	2,705,305	Chas. Donohue, chm.; G. T. Donohue, pres.; Mark Donohue, vice-pres.; A. E. Beauvais, sec.; Maj. P. M. A. Simard; asst. to pres.; Lt.-Col. L. J. A. Amyot; Quebec, Que.; J. D. Coffin, New York.
	1949	sq. mi.	.....	‡638,000	1,188,755	♦265,224	....	367,763	555,768	....	3.71	....	1.00	405,768	2,077,685	
‡Long term notes only; there was also long term loan of $159,713 in 1949, $140,058 in 1950.																
GREAT LAKES PAPER•	1950	3,500	145,000	5,215,000	6,619,211	♦1,342,495	25.62	2,300,000	2,770,781	A & B 14.96	6.06	♦	1.55+0.15	1,747,630	7,232,452	Hon. W. E. Rowe, pres. and man. dir.; W. C. Cochrane, vice-pres.; R. G. Meech, A. G. Walwyn, Col. M. C. G. Meighen; Toronto; Hon. Ray Lawson, Oakville, Ont.; Joseph Horner, Jr.*, Green Bay, Wis.; J. A. Beresford*, Detroit, Mich. Vice-pres. i/c sales—J. E. Gefaell. Sec.-treas. and asst. to pres. —Charles England. Asst. treas. and compt.—F. K. Carlisle. *Representing publishers.
	1949	sq. mi.	.....	5,760,000	4,568,289	♦1,303,524	14.87	1,295,000	1,750,240	9.12	3.49	♦	1.15	937,491	6,311,753	
♦Paid 1949 and 1950, A $2.50, B $1.20.																
LAKE ST. JOHN PWR. & PAPER•	1950	2,059	105,500	5,441,750	4,551,137	♦248,723	†17.68	1,859,536	2,199,570	122.20	20.92	6.00	12.00	891,570	6,832,408	J. I. Rankin, chm.; P. M. Fox, pres.; N. A. Timmins, Jr., J. E. L. Duquet, vice-pres.; R. G. Jacques, gen. mgr.; J. W. Fries, A. K. Cameron, A. H. Campbell, H. C. Flood, Hon. G. B. Foster, Hon. Edouard Asselin, Montreal; Hugh Mackay, Rothesay, N.B.; J. A. McDougald, R. E. Fennell, E. P. Taylor, M. W. McCutcheon, Toronto; S. E. Williams, Three Rivers; D. J. Salls, Sherbrooke; Arthur Ross, New York; Nathan Pitcairn, Philadelphia. Compt. & sec.-treas.—L. A. Tucker.
	1949	sq. mi.	.....	5,737,850	3,180,701	♦620,585	†10.15	975,000	1,332,808	74.04	12.25	6.00	10.00	224,808	6,071,248	
Controlled by St. Lawrence Paper Mills Co. Ltd. and St. Lawrence Corp. Ltd. †Combined bond and debenture interest.																
JAMES MACLAREN CO.▲	*1950	2,600	105,000	.....	4,607,640	456,488	....	1,685,000	2,466,151	....	....	....	....	.....	.....	A. B. Maclaren, pres., Ottawa; A. R. Maclaren, vice-pres.; H. W. Cressy, mgr.; J. A. Bryant, sec.; Buckingham, Que.; C. H. Maclaren, Ottawa.
	*1949	sq. mi.	.....	.....	3,829,610	457,144	....	1,345,000	2,055,914	....	....	....	....	.....	.....	
Wholly owned by Maclaren Power & Paper Co. *Year ended Nov. 30.																
MERSEY PAPER CO.	1950	3,800,000	120,000	1,200,000	*5,684,393	364,111	77.39	2,058,824	3,192,709	‡127.71	15.41	4½%	3.00	2,211,249	2,481,284	J. McG. Stewart, chm., Halifax, N.S.; B. J. Waters, pres. & gen. mgr.; J. H. M. Jones, vice-pres.; R. L. Seaborne, vice-pres., Liverpool, N.S.; George Killam, Yarmouth, N.S.; J. C. MacKeen, Halifax, Sec. & treas.—J. A. Parker.
	1949	Cords	.....	1,600,000	*4,618,788	572,204	46.65	1,491,356	2,468,478	98.74	11.76	4½%	2.00	1,935,523	4,299,225	
*After depletion. ‡Old stock.																
MINNESOTA & ONTARIO PAPER§	1950	10,000	193,000	2,157,600	11,976,753	♦2,522,341	132.28	4,122,476	5,260,462	....	4.09	....	1.87½	2,849,590	15,108,929	H. R. M. Robinson, chm.; J. B. Faegre, pres.; C. J. McMurray, exec. vice-pres.; C. T. Jaffray, H. W. Sweatt, D. F. Bull, Minneapolis; Serge Semenenko ,Boston; C. S. Garland, Baltimore; G. A. Dobbie, Galt, Ont.; R. S. Waldie, Toronto. Vice-pres.—C. Larson. Treas.—R. D. Main. Sec.—H. A. Hull. Compt.—E. A. Johnston.
	1949	sq. mi.	.....	2,368,200	8,011,260	♦2,422,014	73.60	2,103,600	3,409,702	....	2.65	....	1.62½	1,321,138	12,694,756	
PACIFIC MILLS§	*1951	.....	87,000	.....	9,554,619	♦1,669,810	....	3,658,874	4,238,433	212.04	13.73	6.00	5.00	2,618,499	7,517,174	P. E. Cooper, pres.; J. A. Young, 1st vice-pres. & treas.; H. C. Pim, vice-pres.; J. H. Lawson, sec.; Hon. E. W. Hamber, M. D. Hamilton, W. D. McLaren, W. E. Wintemute. Compt.—G. J. C. Hodson.
	*1950	.....	.....	.....	6,907,128	♦1,480,359	....	2,118,062	3,365,307	168.36	10.82	6.00	4.00	2,045,373	10,896,584	
Controlling interest held by Crown Zellerbach Corp. of United States. *Year ended April 30.																
POWELL RIVER§	1950	625	290,000	.....	20,296,167	♦2,345,556	....	7,436,000	9,206,417	....	6.85	....	2.00+2.50	3,155,290	12,473,169	H. S. Foley, pres.; M. J. Foley, exec. vice-pres.; G. W. O'Brien, vice-pres.; J. H. Lawson, sec.; A. H. Williamson, W. S. Brooks; Vancouver; H. F. G. Letson; Edward Brooks, Anson Brooks, Minneapolis, Minn.; R. H. Scanlon, San Francisco; J. G. Sample, Chicago. Res. Mgr.—R. M. Cooper. Vice-pres.—R. M. Cooper, I. H. Andrews, J. E. Liersch, J. A. Kyles. Compt.—H. J. Burns.
	1949	sq. mi.	.....	.....	16,197,318	♦2,407,713	....	5,371,000	7,128,585	....	5.30	....	2.00+1.55	2,354,918	11,991,420	
PRICE BROS. & CO.§	1950	7,760	425,000	7,335,000	18,398,972	♦2,400,000	61.20	6,500,000	9,237,564	184.75	4.12	5.00	‡4.00+1.50	5,750,422	36,021,942	H. J. Symington, chm., Montreal; A. C. Price, pres., Quebec, Que.; A. A. Aitken, vice-pres.; J. J. Johnson, J. C. Newman, P. F. Sise, W. A. Arbuckle; Montreal; M. R. Kane, A. C. Picard, A. C. M. Thomson, Quebec, Que.; Sir Keith Price, London, Eng. Vice-pres. & gen. mgr.—G. F. Layne. Vice-pres. i/c woodlands—R. S. Armitage. Vice-pres. & sec.—Hector Cimon. Vice-pres. & treas.—P. W. Sims.
	1949	sq. mi.	.....	7,835,000	14,468,666	♦2,316,000	43.77	4,750,000	7,125,008	142.50	•(3.16)	4.00	‡4.00+0.50	3,185,723	27,081,274	
*Based on new stock after split Nov., 1950. ‡Pay. on old stock.																
ST. LAWRENCE PAPER MILLS••▲	1950	1,614	199,275	.....	8,168,957	♦164,819	....	2,990,627	5,013,511	†40.15	•6.09	†6.00	4.00	d233,674	7,579,188	J. I. Rankin, chm.; P. M. Fox, pres.; N. A. Timmins, Jr., vice-pres.; J. E. L. Duquet, vice-pres.; A. G. Jacques, gen. mgr.; H. C. Flood, A. K. Cameron, A. H. Campbell, Hon. G. B. Foster, Hugh Mackay, Hon. E. Asselin, J. W. Fries, Montreal; S. E. Williams, Three Rivers; D. J. Salls, Sherbrooke; Arthur Ross, New York; J. A. McDougald, Robert Fennell, E. P. Taylor, M. W. McCutcheon, Toronto; Nathan Pitcairn, Philadelphia. Compt. & sec.-treas.—L. A. Tucker.
	1949	sq. mi.	.....	.....	7,021,770	♦881,511	....	2,090,000	4,050,259	†32.43	•4.04	†6.00	2.00	507,360	8,068,043	
Controlled by St. Lawrence Corp. †First pref. only; on second pref. $102.76 and $42.14 earned, $2.40 paid in 1950 and 1949.																

♦Including depletion. dDeficit. •Also produces sulphite pulp. ▲Also produces groundwood pulp. ‡Also produces pulp, kraft and other wood products.

Fine and Specialty Paper Group

Company	Year	Wood Resources Cords or Sq. Miles	Mill Capacity Annual Tons	Funded Debt $	Net Earn. $	Deprec. $	Times Int. Earned After Deprec. No.	Income Taxes $	Net Profit $	Earnings per Share Pref. $	Earnings per Share Com. $	Dividends Paid or Pay. Pref. $	Dividends Paid or Pay. Com. $	Surplus for Year $	Working Capital $	DIRECTORS
EDDY PAPER CO.§	1950	5,800	150,000	5,767,224	3,388,183	♦1,035,334	9.84	858,000	1,247,330	6.24	5.24	1.00	Nil	1,047,330	5,371,078	W. G. Weston, chm.; G. G. Gale, viceschm.; W. S. Kidd, pres.; A. Welch, gen. mgr., Ottawa; H. J. Coon, R. A. Robertson, C. L. Gundy, H. W. Lofft, Toronto. Vice-pres.—J. F. Taylor. Sec.-treas.—R. F. Caldwell.
	1949	sq. mi.	.....	6,229,000	2,906,703	♦987,729	7.63	691,000	962,948	4.81	3.81	1.00	Nil	762,948	5,475,193	
PROVINCIAL PAPER▲	All accounts consolidated with those of Abitibi Power & Paper Co., Ltd., which see.															
ROLLAND PAPER	1950	.....	25,000	1,525,000	1,005,905	307,304	11.75	275,000	364,147	21.42	4.86	4.25	0.15	282,897	1,465,410	J.-Pierre Rolland, pres.; J. A. Weldon, vice-pres.; Montreal; Olivier Rolland, vice-pres.; Marc Rolland, mill mgr.; L. G. Rolland, asst. gen. mgr.; Mt. Rolland, Que.; R. H. Ecclestone, sales mgr.; Alderic Laurendeau; Montreal; Hugh Mackay, Rothesay, N.B.; J. Y. Murdoch, K. S. Maclachlan; Toronto. Treas.—H. A. Le Blanc. Sec.—J. P. Lefebvre.
	1949	.....	.....	1,600,000	403,213	304,636	1.60	17,700	19,409	1.14	d0.88	4.25	Nil	d52,841	945,645	
HOWARD SMITH PAPER§	1950	3,000	142,400	7,400,000	12,166,789	♦3,531,055	36.59	3,710,000	4,546,007	28.41	12.70	2.00	2.00+1.00	3,227,499	8,723,247	Harold Crabtree, chm.; E. Howard Smith, pres.; E. K. Robinson, exec. vice-pres.; G. H. Tomlinson, vice-pres.; A. B. Wood, deGaspé Beaubien, W. A. Arbuckle, Howard Murray, J. D. Johnson, Col. R. D. Harkness, W. H. Howard, Montreal; J. H. Gundy, C. L. Burton, A. E. H. Fair, Toronto. Sec. and treas.—K. G. Pendock. Controller—J. R. Leslie.
	1949	sq. mi.	.....	7,800,000	8,242,515	♦2,414,730	23.65	2,283,000	3,161,445	19.76	8.54	2.00	2.00	2,175,773	8,374,319	
WESTMINSTER PAPER	*1951	.....	20,000	640,000	1,026,428	300,275	33.11	280,000	421,255	A 4.21	B 1.24	A 0.50	B 0.25	296,255	1,066,911	J. J. Herb, chm.; Bellingham, Wash.; E. M. Herb, pres. & man. dir., Vancouver, B.C.; F. J. Herb, vice-pres., Bellingham, Wash.; F. F. Foote, sec.-treas.; J. G. Robson; New Westminster; A. D. Lauder, R. L. Cliff, C. Bentall, Vancouver.
	*1950	.....	.....	720,000	701,120	307,387	16.45	125,000	241,508	2.42	0.64	0.50	0.10	•161,508	777,404	
*Year ended Jan. 31.																

‡Also mfrs. pulp products and by-products. ♦Including depletion. ▲Also produces groundwood and sulphite pulp. dDeficit.

Pulp Group

Company	Year	Wood Resources Cords or Sq. Miles	Mill Capacity Annual Tons	Funded Debt $	Net Earn. $	Deprec. $	Times Int. Earned After Deprec. No.	Income Taxes $	Net Profit $	Earnings per Share Pref. $	Earnings per Share Com. $	Dividends Paid or Pay. Pref. $	Dividends Paid or Pay. Com. $	Surplus for Year $	Working Capital $	DIRECTORS
ALASKA PINE & CELLULOSE (Formerly B. C. Pulp & Paper)	°1950	‡8,000	140,000	15,000,000	12,097,882	♦2,079,275	....	3,909,522	5,913,444	....	....	....	....	.....	5,879,918	D. W. Ambridge, chm., Toronto; L. J. Koerner, pres.; W. C. Koerner, vice-pres. & man. dir.; L. J. Ladner, Vancouver; Leslie Cleminson, J. S. D. Tory, Toronto; T. E. Ladner, West Vancouver; J. P. Ripley, New York. Sec.—E. M. Dominy. Treas.—R. J. Killam.
	*1950	.....	.....	5,200,000	7,117,721	♦1,403,051	29.29	2,100,000	3,419,545	614.80	33.81	†7%	....	.....	6,407,420	
*Before ('pro forma after) acquisition of Alaska Pine and assoc. co's. ‡Millions of board feet. †Plus arrears.																
BATHURST POWER & PAPER♦	1950	2,700	°123,100	3,351,000	5,326,248	♦729,093	36.70	1,850,000	2,613,229	A ‡6.53	B †3.12	A 2.00+1.00	B 1.00	1,088,229	7,046,455	R. L. Weldon, pres.; P. A. Thomson, vice-pres.; Joseph Simard, A. J. Nesbitt, J. B. Woodyatt; Montreal; J. G. Chalmers, vice-pres., Bathurst, N.B.; R. G. Ivey, London, Ont.; Hon. G. P. Burchill, Nelson, N.B.; E. M. Little, Quebec, Que. Sec. and treas.—R. H. Christian. Vice-pres.—G. T. Cockerill.
	1949	sq. mi.	°123,100	3,500,000	3,833,341	♦698,017	25.03	1,300,000	1,701,398	‡4.25	†1.24	1.62½+0.87½	0.50	538,898	7,980,709	
*All products. ‡Before (†After) participation: cl. A, earned $3.24 pr sh. in 1949, $4.00 in 1950, after participation.																
BROMPTON PULP & PAPER§	1950	5,244	°181,500	5,550,000	5,314,284	♦867,661	....	1,758,867	2,444,563	....	8.15	....	3.20	1,484,563	10,808,677	N. A. Timmins, Jr., pres.; P. M. Fox, vice-pres.; J. I. Rankin, Hon. G. B. Foster, A. H. Campbell, H. C. Flood, J. E. L. Duquet, Hon. E. Asselin, Hugh Mackay, A. K. Cameron, J. W. Fries, A. G. Jacques, Montreal; S. E. Williams, Three Rivers; D. J. Salls, Sherbrooke, Que.; J. A. McDougald, R. E. Fennell, E. P. Taylor, M. W. McCutcheon, Toronto; Arthur Ross, New York; Nathan Pitcairn, Philadelphia. Gen. mgr.—E. P. Wilson. Compt. & sec.-treas.—L. A. Tucker.
	1949	sq. mi.	.....	6,700,000	3,256,313	♦1,018,274	....	875,000	963,087	....	3.21	....	1.00	663,087	9,147,492	
Controlled by St. Lawrence Corp. Ltd. *All products.																
BROWN COMPANY••	1950	3,852	*260,000	15,200,000	10,773,503	♦2,423,423	11.11	2,975,000	4,021,940	27.90	1.58	6.00	Nil	3,157,034	17,846,289	L. F. Whittemore, pres., Pembroke, N.H.; E. M. Hopkins, Montpellier, Vt.; O. B. Brown, Berlin, N.H.; J. B. Challies, A. D. Emory, G. B. Gordon, Montreal; J. L. Sullivan, Washington, D.C.; Gene Tunney, Stamford, Conn.; W. B. Joyce, New York, N.Y.; C. P. McTague, A. G. Walwyn, Toronto. Vice-pres.—H. G. Schanche, D. P. Brown, E. H. Maling. Vice-pres. & asst. to pres.—Wentworth Brown. Vice-pres. & treas.—H. G. Brush. Sec.—J. W. Jordan. Controller—W. J. Oleson, Jr.
	1949	sq. mi.	*260,000	16,777,400	5,372,584	♦2,290,729	†2.74	636,437	1,091,710	7.57	0.11	6.00	Nil	226,804	16,076,675	
*Brown Co. and Brown Corp. †Based on earnings available for bond interest in accordance with trust deed.																
DRYDEN PAPER••	*1950	1,300	50,000	2,775,000	1,315,168	♦422,831	10.89	351,000	450,432	....	2.47	....	1.20	232,032	2,797,467	E. L. Goodall, pres. & gen. mgr., Port Arthur, Ont.; H. J. Humphrey, vice-pres.; P. A. Thomson, J. B. Woodyatt, E. R. Parkins, J. R. S. McLernon, R. R. McLernon; Montreal; J. H. Bonar; E. M. Little, Quebec, Que. Treas.—David Young. Sec.—J. B. Davison.
	*1949	sq. mi.	.....	1,350,000	664,624	♦313,893	5.45	107,000	155,627	....	0.86	....	1.20	•62,773	1,444,126	
*Year ended Sept. 30.																
FRASER COS.▲	1950	5,571	231,000	5,600,000	11,523,805	♦3,241,922	49.82	3,641,000	4,474,633	198.34	5.71	4.75	2.00+0.50	2,383,598	7,831,219	Harold Crabtree*, chm., Montreal; Aubrey Crabtree*, pres. and gen. mgr.; L. M. Sherwood*, vice-pres. and controller; Edmundston, N.B.; A. H. Campbell, Hon. F. P. Brais, H. P. Thornhill, A. M. Irvine*, Montreal; S. F. Duncan*, Toronto; John Neill, Fredericton, N.B.; G. E. Barbour, Saint John, N.B. Sec.—G. G. Gillies. Treas.—H. H. Henderson. *Member executive committee.
	1949	sq. mi.	.....	5,950,000	8,419,141	♦3,135,904	30.19	2,171,000	2,937,237	58.74	3.63	4.75+•0.14	2.00	1,208,669	6,845,447	
*Portion accrued from Dec. 21, 1948, to Jan. 1, 1949.																
MINAS BASIN PULP & POWER	1950	281	30,000	1,635,000	°703,248	159,083	9.61	148,143	289,422	....	17.02	....	1.60	262,222	1,053,412	D. W. Murray, chm.; R. A. Jodrey, pres.; J. J. Jodrey, vice-pres. & man. dir.; G. H. Nichols, treas.; L. G. Bishop, asst. sec. & asst. treas.; B. R. Alexander; Hantsport, N.S.; G. A. Chase, L. B. Chase, Port Williams, N.S.; F. M. Covert, F. C. Manning, R. W. Harris, Halifax; Judge K. L. Crowell, Bridgetown, N.S.; D. S. Hennigar, Berwick, N.S.; C. G. Hawkins, Milford, N.S.; C. P. Wyman, Portneuf, Que. Sec.—G. A. Bent.
	1949	sq. mi.	.....	1,330,000	°315,124	140,233	3.43	19,163	104,678	....	6.16	....	1.60	77,478	678,863	
*After interest on loans, etc. and prov. and other taxes.																

••Also produces kraft, manila and building papers, bags, etc. ‡Also produces kraft, building, specialty and newsprint papers. ▲Also produces bond and specialty papers and lumber products. ♦Also produces kraft and cylinder board and newsprint paper. ♦Including depletion.

Miscellaneous Group

Company	Year	Wood Resources Cords or Sq. Miles	Mill Capacity Annual Tons	Funded Debt $	Net Earn. $	Deprec. $	Times Int. Earned After Deprec. No.	Income Taxes $	Net Profit $	Earnings per Share Pref. $	Earnings per Share Com. $	Dividends Paid or Pay. Pref. $	Dividends Paid or Pay. Com. $	Surplus for Year $	Working Capital $	DIRECTORS
BARBER-ELLIS OF CANADA	1950	.....	.....	.....	615,856	83,850	33.05	230,000	285,620	258.02	6.40	3.50	2.50+2.00	83,420	1,024,818	E. H. Ellis, pres. and chm. of board, Toronto; C. G. Ellis, vice-pres. and gen. mgr., Brantford; K. W. Murphy, asst. gen. mgr.; Harold Holt, sec.-treas., Toronto; J. S. Ellis, Montreal; Arthur Fogler, T. A. Thornton, Toronto; A. E. Nelson, Winnipeg; Vernon Stott, Vancouver.
	1949	.....	.....	270,100	529,822	77,183	27.93	168,100	268,333	223.61	6.00	3.50	1.25+0.50	187,133	1,185,705	
BUILDING PRODUCTS	1950	.....	.....	500,000	3,538,613	457,285	....	1,265,000	1,797,708	....	3.72	....	1.65	1,000,124	5,600,935	W. R. McNeil, chm.; L. S. Odell, pres. and man. dir.; L. F. Long, exec. vice-pres.; Winthrop Brainerd, G. H. Montgomery, J. D. Johnson, J. A. Eccles; Montreal; H. R. Tudhope, Toronto; P. R. Allen, East Walpole, Mass. Vice-pres.—S. M. Barclay, C. E. Turner, H. E. Pringle. Sec.-treas.—R. C. Crooker.
	1949	.....	.....	625,000	3,107,133	440,798	....	1,032,000	1,612,278	....	3.34	....	1.60	838,864	4,553,815	
CANADIAN WALLPAPER	*1951	.....	.....	300,000	591,477	137,132	....	210,000	235,345	....	A & B 1.82	....	A & B 1.00	106,099	2,356,930	Arnold Ashton, pres., Toronto; Alfred Whittle, vice-pres., Manchester, Eng.; John Prescott, sec.-treas.; R. N. Boxer, R. J. Boxer, T. A. G. Staunton, J. P. Ramsay, R. R. Sparling, L. K. Redman, D. A. Mackenzie; Toronto; R. H. Gillean, Jr., A. H. McDougall, Montreal; A. Jackson, Manchester, Eng.; G. H. Walmsley, Rochdale, and J. Watson, Darwen, Lancs., Eng.; A. R. Wildey, London, Eng.
	*1950	.....	.....	.....	409,436	129,705	....	113,636	166,095	....	1.29	....	1.00	36,849	1,932,307	
*Year ended April 30.																
CANADIAN WIREBOUND BOXES	*1951	.....	.....	800,000	1,411,707	164,739	....	556,000	690,968	A •12.25	B 16.58	A 1.50	B 1.00	507,330	2,388,365	A. M. Dunn*, pres. and man. dir.; S. B. Playfair*, vice-pres.; J. S. Dickson, Carr Hatch, R. J. Dunn, Gordon McMillan*, H. L. Trapp; Toronto; A. K. Cameron, Montreal. Sec.—D. F. Hazell. Treas. —F. H. Ellis. *Member exec. comm.
	*1950	.....	.....	850,000	894,732	169,166	....	300,000	425,566	•7.50	‡3.92	1.50	1.00	265,669	1,915,840	
*Year ended April 30. •Before (after) participation																
CORRUGATED PAPER BOX	1950	.....	.....	100,000	611,870	114,236	....	195,732	297,786	66.31	5.86	5.00	1.50+0.50	181,309	1,334,902	J. A. Whealy, pres. & treas.; Wm. Zimmerman, vice-pres.; F. L. Clouse; Harold Fry; Toronto; Henry Hilton, Winnipeg. Winnipeg mgr.—W. R. Hilton. Sec.—E. R. Bluethner.
	1949	.....	.....	140,000	510,614	113,421	....	149,850	242,604	53.91	4.68	5.00	1.50	149,604	1,204,199	
DOMINION CONTAINERS	1950	.....	.....	650,000	441,680	72,423	18.39	150,975	196,089	77.66	†7.79	7.00+†12.00	°Nil	148,114	926,641	C. N. Moisan, pres. & gen. mgr.; Hon. Wilfrid Gagnon, vice-pres.; J. A. Moisan, Mendosa Langlois, T. M. Barrington; Montreal; Bruce Brown, Leon Simard. Sec.-treas.—T. A. Moisan.
	1949	.....	.....	375,000	242,173	69,790	10.23	63,550	90,543	35.86	†3.66	7.00+†12.00	°Nil	42,568	296,393	
†Class A only before partic.; earned $2.04 in 1949, $4.28 in 1950 after partic.; class B earned $1.93 before and $81.02 after partic. in 1949, $4.38 and $2.14 in 1950.										‡Arrears.	°Classes A and B.					
GAIR CO. CANADA	1950	.....	.....	.....	3,135,946	586,568	....	1,017,992	1,531,386	161.20	12.42	4.00	4.00	819,496	2,972,756	D. H. Ross, pres. & gen. mgr.; G. M. Willoughby, sec.; Toronto; R. F. DeVoe, New York; G. E. Dyke, Ossining, N.Y. Treas.—W. R. Eccles.
	1949	.....	.....	.....	2,695

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Newfoundland Mills Expand, New Projects Ahead

Labrador Logging Project Prelude to Mill?

By RUPERT JACKSON

Because of her dependence on the fisheries and the pulp and paper industry, Newfoundland has been said to have a "fish and chips economy." If recent pulp and paper developments continue, there may well be more "chips" than "fish."

Leading the developments are the recently completed $15 millions expansion of Bowater's (Newfoundland) Pulp & Paper Mills, Ltd., at Corner Brook and the $10 millions rehabilitation program now in progress at the Anglo - Newfoundland Development Co. plant at Grand Falls.

Pending developments include the possibility of a new paper mill in Labrador and another in Newfoundland, and a sulphate pulp mill in Labrador, all fed by the 40 million cords of virgin black spruce in the northern territory.

Development of the northern timberland got under way in August when an advance party for the Labrador Timber Utilization Co. moved in to begin a large-scale logging operation in two concessions near Lake Melville. Latuco is headed by Dr. Arthur Seigheim, a European industrialist who is also interested in sulphate and paper making. (The Financial Post, July 23, Aug. 11.)

The Financial Post understands that once the logging operation opens up the timber stands, Dr. Seigheim and his associates may move to establish a paper mill in the area producing 500 tons per day. Such a move, however, is still a couple of years in the future.

The proposed Newfoundland paper mill, recently investigated for the Newfoundland Government by the International Basic Economy Corp. (Technical Services), if and when it is constructed will be in Bay d'Espoir on the south coast of the province. It is understood that Bowaters is interested in this project, but again no developments are expected for the next year or so.

Bowaters' Expansion

Getting back to already established paper mills in Newfoundland, Bowaters' in 1950 boosted their production by 20,000 tons as a result of the recent expansion program.

Production totals were: Newsprint, 276,500 tons; pulping paper, 4,700 tons; export groundwood, 170 tons; and export sulphite, 24,800 tons.

This increased production was principally due to the increased speeds of the old newsprint machines and the gradual raising of the speed on the new No. 7 machine. Before the breaking of the bottom roll of the calender stack No. 7 had been operated at speeds up to 1,685 ft. per minute.

The accident happened in May this year when one of the giant bottom rolls in the second calender stack broke, causing a temporary shutdown. This was the second time the roll had broken, the first occurring in December last.

The latest break temporarily halted the speed increase planned for the machine, as it has been considered inadvisable to operate at speeds in excess of 1,635 feet per minute until the cause of the failure of the rolls has been determined. It is hoped, however, speed of the machine will soon be raised to 1,750 f.p.m.

In this connection, new developments are continually under study, as are ways and means of increasing the speed, and so the production, of all the machines, to help meet the ever-present demand for newsprint.

Other Company Activity

Other departments of the Bowaters' operation are also driving ahead at full steam.

The production of export sulphite, discontinued in December, 1949, due to adverse market conditions, was resumed in April, 1950, and the sulphite mill has operated at capacity ever since. During the shutdown the blow tank was completely renovated.

New experiments have also been conducted with the Vapurge method of cooking, and to facilitate these a new pressure steam line was installed in the sulphite mill last year.

Besides a record production in newsprint, Bowaters also had a record shipping season last year. 450 vessels entered the port of Corner Brook, representing a net registered tonnage of 406,130 tons. The previous record was 403 ships of 321,019 tons.

In only one month, February, was it necessary to ship paper out of Corner Brook by rail, and 6,790 tons of newsprint and 4,902 tons of sulphite were moved out. The rail movement was begun in anticipation of the annual freeze-up and the blocking of Bay of Islands by Gulf ice. However, as a result of the extraordinarily mild winter, the expected freeze-up did not materialize. With the exception of thin ice easily taken care of by Bowaters' ice-breaker, the port was ice-free and open to shipping throughout the winter for the first time since the mills were established.

While aiding shipping, the mild winter hindered woods operations. The planned wood cut for 1950-51 was 510,000 cords in addition to 90,000 cords of 42-in. wood for export. These totals were reached early in the season, but because of lack of snow in the woods difficulties were encountered in moving the wood out.

Bowaters' last year put into operation plans for a conversion from coal-fired furnaces to oil-fired. This work was completed toward the end of 1950 and involved the erection of two giant storage tanks of 330,000 barrels capacity. The conversion has brought increased efficiency and a considerable saving in costs, allowing greater output and greater uniformity of operation.

Anglo-Newfoundland Program

Meanwhile, in Grand Falls, the program to rehabilitate the Anglo - Newfoundland Development Co. mill is at its peak this year. Expenditure so far has been $5 millions, and this year a further $2.5 millions will be spent.

In progress since 1949, the program to date has seen the completion of installing Waterous Great Northern Grinders at Grand Falls in place of the old 3 pocket Holyoke Grinders; converting the steam plant from coal-burning boilers to oil-burning units; improving ventilation and exhaust systems in all machine rooms. To be completed this year is the speeding up of all seven paper machines. Six have already been speeded up and No. 1 machine will be finished this month.

Remainder of the program will run into 1953 and between now and then four 5,500-hp hydraulic turbines will be installed at Grand Falls. A complete new wood handling system will be brought into operation, agitation in mill stock chests will be improved. Bishop's Falls groundwood mill will be closed and converted into a power-producing plant; three new digesters will be installed, and the finishing room will be redesigned with the installation of roll wrapping machines.

The program will pay off in production. In 1950 the rated capacity of the mill was 189,726. In January, 1951, the figure was 193,116 tons. On completion of the rehabilitation program production is expected to rise to 230,000 tons of newsprint. In addition to this there is a drying capacity for 70 tons of unbleached sulphite per day on a Fourdrinier machine.

Already with the expansion program only half over, costs have been cut through the modernization and rehabilitation of the mill. Through the program the Anglo-Newfoundland Development Company's properties are being put into good, modern physical condition and consequently, the company's position in the industry as a whole is being improved. Good demand for its products is predicted for the foreseeable future.

Of the rehabilitation program still remaining to be done, about the biggest project is the conversion of the Bishop's Falls groundwood mill to an expanded power generating unit and the concentration of wood grinding and handling at Grand Falls.

Together, the two paper companies in the province hold timber limits of some 18,686 square miles holding some 30 million cords of timber, sufficient for both mills in perpetuity.

As a result of Bowaters' expansion program and AND's rehabilitation program it looks as if Newfoundland this year will produce pulp and paper worth $55-$60 millions, a new record. Estimated production will be 520,000 tons, a far cry from the original production of 52,000 tons in 1913 when the AND mill first opened at Grand Falls.

"Chips" are becoming more and more important in Newfoundland's economy, and may well replace fish as the chief industry, money-wise, in the very near future.

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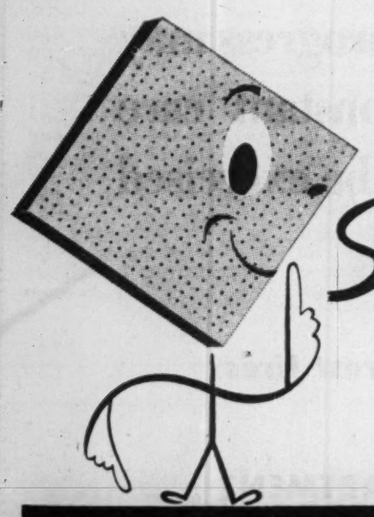

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Wood-Base Building Materials In Broad Fields

Defense Construction Takes Up Slack in New Housing Starts

Pulp and paper producers manufacturing wood-base building materials see this year climaxing, in output and prosperity, a long period of steady, healthy growth.

Only adverse factor is the Federal Government's clamp on NHA mortgage loans, applied last February but just beginning to be felt now. Effect has been to raise the down payment on an $11,000 home from about $1,500 to $4,000 or more. As the Government intended, this has eliminated a substantial number of new house prospects and cut the number of starts.

On the other hand, while housing awards for the first eight months of 1951 are 15% below those for the same period last year, commercial building is up 43%, industrial 245% and engineering 322%. The increases are remarkable in view of federal credit restrictions, prohibition of steel for certain types of structure, and the deferred depreciation allowance.

Even in housing the picture is only grey, not black. Ottawa observers predict that the coming session of Parliament will see relaxation of present curbs on mortgage lending. Such action would boost the number of starts. And, of course, a sizeable amount of renovation and home improvement work has been proceeding unchecked, and will no doubt continue to do so, under Interprovincial Credit and other schemes.

Furrows on the foreheads of suppliers of wood-base building products today are caused by the problem of who's to get what there is rather than who's to buy it. The supply situation is expected to get worse before it gets better, as witness the accelerating pace and volume of defense construction.

Underlining this fact, Canada's plywood industry recently benefited through the award, by the Department of National Defense, of contracts worth $16 millions for construction of 2,000 prefabricated army huts. While these buildings are on the classified list, it is no secret that their floors are of an intriguing new type. They consist of a quarter inch thick hardwood plywood core, faced both sides with double tempered hardboard.

This unique flooring was tested for three years by defense officials before being judged best and cheapest for its purpose. The hardboard, after being impregnated with a special tempering compound which is polymerized by baking, is given an oil treatment and tempered again. This provides an excellent wearing surface with minimum moisture absorption. The hardwood plywood core, to which the hardboard is attached by waterproof phenolic glue, supplies necessary strength.

The new type floor is another example of progress resulting from research. While it was developed by a private company, (International of Gatineau, Que.) considerable work along similar lines of innovation and improvement has been undertaken by government agencies.

The Forestry Branch of the Federal Department of Resources & Development is, for instance, currently aiming at the production of structural fibreboards from various types of mill waste. So far, it has shown that certain types of western red cedar and eastern white pine waste can be used to produce acceptable insulating boards and hardboards.

Sawmill Waste

The Pulp & Paper Research Institute of Canada, noted for its joint studies with the National Research Council on the waterproof and vapor-proof qualities of building papers, is also paying attention to the employment of sawmill waste.

Closely related to the need for production of more wood-base building materials is the Ontario Government's implementation of one of the recommendations of the Kennedy Report. A directive recently issued to all woods operators by the Minister of Lands & Forests requires them to separate saw logs from the pulpwood on their limits.

While there have been some independent agreements between lumber companies and pulp and paper companies to this effect in the past, the practice is now expected to become universal throughout the province.

Numerous Offspring

A summary of important building materials related either by source or process to the pulp and paper industry includes:

Plywoods; fibreboards; hardboards; building papers; plastic boards.

Plywoods have both utilitarian and decorative purposes. Of the softwood plywoods, B. C. Douglas fir is most popular because of its reasonable cost, workability, and attractive graining. Cheaper grades are used for concrete forms, wall and roof sheathing and sub-floors. Better grades find jobs in interior paneling, slab doors and cupboards.

Surfaces may be plain or have striated (grooved), etched or other textured effects. In weatherproof grades, softwood plywood may be used as an exterior finish. Hardwood plywood, on the other hand, is rarely if ever used outdoors. There's a fascinating range of domestic and imported woods for interior application.

The story of fibreboard rivals that of Cinderella. When the mills originally began to produce it, their intention was to utilize waste products that could not be employed for paper manufacture. As time went on, the commercial value of this versatile building material came into its own, and now constitutes a vital segment of the industry's operations.

Postwar production growth has been phenomenal:

Rigid Insulating Boards
(Ten-Test, Insul-Board, Donnacona Board and similar products at least 7/16 in. thick)

	Short Tons	$
1946	72,323	6,274,449
1947	90,214	8,444,700
1948	107,894	10,650,081
1949	108,751	10,728,477
1950	111,251	11,280,698

Fibreboard is usually made from groundwood pulp and wood chips, although a new board manufactured in New Brunswick employs sawdust and other wood waste. Uses are for wall paneling, plaster lath, roof insulation, ceiling tiles and exterior sheathing.

In addition to their insulating properties, ease of application and low cost, fibreboards present an attractive interior finish. When topped with colored granules on an asphalt saturated base, they give lasting, climate-proof protection in brick, stone or shingle designs. They're every bit as suitable for remodeling as for new construction.

Hardboards do a multitude of jobs in every classification of building; wherever beauty, economy and ability to take punishment are required. They are made from wood chips exploded under high pressure steam.

The principle behind the process is that when wood is separated into individual fibres, then refelted into sheet form and compressed by heat and pressure, the resultant product is in many ways superior to the original wood.

Standard uses for hardboards are for walls, ceilings, sub-floors, cabinets and built-ins. One of their interesting characteristics is that they can be bent and applied to curved surfaces. A new leather textured hardboard, available in three colors, provides a strikingly distinctive wall treatment.

Other boards are scored to resemble wall tile, and when finished in baked enamel can hardly be distinguished from the real thing. Hardboards to be used in kitchens and bathrooms are tempered to increase their resistance to moisture absorption.

Other Building Boards
(Masonite, P.V. Hardboard, Beaver Brand and similar products)

	Short Tons	$
1946	28,856	3,150,288
1947	31,360	3,744,595
1948	43,409	5,416,345
1949	43,110	4,993,791
1950	43,808	5,018,578

Building papers exist in an amazing array of plain, saturated and coated types, each carefully classified as to use. Built-up roofing and membrane waterproofing are common examples. Others are vapor barrier papers, installed on the inside face of insulated walls, and sheathing papers, designed to "breathe," thus permitting water vapor trapped in the wall to escape outside. Various kraft papers are also extensively employed in construction.

A particularly interesting development over the past 10 years has been the increasing addition of wood pulp to felt paper manufacture. Defibrator stock is generally used.

Paper-based plastic boards have gained recognition and wide acceptance since World War II. They possess many advantages for wall paneling and counter tops, being a laminate of special grades of fine papers treated with phenolic and melamine resins, then molded into shape under tremendous heat and pressure.

The material is unaffected by moisture, food acids, resists wear and temperature changes and is readily cleaned. When to these advantages is added a wide selection of colors and patterns, it's not hard to understand why the product is specified in so many different kinds of buildings.

Where We Send Our Wood Pulp

(In tons of 2000 pounds, air dry weight)

Exports by Countries To:	1946	1947	1948	1949*	1950
United States	**1,252,648**	**1,499,301**	**1,590,674**	**1,304,774**	**1,694,444**
British Empire	**133,564**	**153,628**	**181,825**	**177,358**	**123,522**
Australia	10,196	16,118	11,229	3,544	5,381
British India	227	0	**	**	0
British South Africa	72	28	0	0	220
Hong Kong	0	498	0	69	0
Newfoundland	18	8	0	0	0
New Zealand	3,078	0	0	0	0
United Kingdom	119,973	136,976	170,596	173,745	117,921
Latin America	**14,192**	**13,706**	**10,487**	**5,519**	**10,991**
Argentina	0	0	371	0	0
Brazil	8,365	10,405	5,208	2	0
Chile	0	0	111	772	554
Colombia	1,656	768	1,439	220	1,694
Cuba	0	0	257	557	1,763
Mexico	4,171	1,973	330	2,062	4,311
Peru	0	0	436	225	1,001
Uruguay	0	0	0	40	0
Venezuela	0	560	2,335	1,641	1,668
Europe and Eire	**16,746**	**29,844**	**11,902**	**49,756**	**11,387**
Belgium	5	3,230	806	739	2,820
Eire	0	200	0	0	0
France	16,739	22,939	4,563	7,558	5,821
Germany	0	0	5,431	40,059	2,093
Greece	0	0	1,102	0	0
Italy	0	997	0	1,100	3
Netherlands	2	1,806	0	2	400
Portugal	0	500	0	0	0
Spain	0	108	0	0	27
Switzerland	0	64	0	298	223
Turkey	0	0	0	0	0
Asia and Africa	**1,408**	**2,233**	**3,110**	**11,299**	**5,799**
China	1,291	2,233	197	0	682
Egypt	0	0	0	0	280
French East Indies	117	0	0	0	0
India	0	0	600	50	0
Japan	0	0	2,313	11,249	4,837
Total, all countries	1,418,558	1,698,712	1,797,998	1,548,706	1,846,143

* Exports from Newfoundland previous to March 31, 1949, are not included in these data.
** After August, 1947, India is shown under "Asia."
Source: Canada, Dominion Bureau of Statistics.

ONTARIO

Pulp and paper production for 1950 was a new record.

In order that this progress may be maintained, constant care and wise use must be exercised by all.

Help Prevent Forest Fires

ONTARIO DEPARTMENT OF LANDS AND FORESTS

HON. H. R. SCOTT, Minister — F. A. MacDOUGALL, Deputy Minister

"One 30-Ton lump, please!"

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Not Sugar — Are What These Giant Vickers-Built Tongs Were Designed To Handle

The huge tongs shown here were designed and built by Canadian Vickers Limited for an internationally known Canadian mining company. Attached to a crane, they are used for picking up metal slag. These particular tongs have a 30-ton capacity.

Such items are all in the day's work for the men of Canadian Vickers. Giant boilers, forming presses, copper kettles, cargo ships—these and many other diversified pieces of machinery and equipment keep the 45-acre Vickers workshop humming with activity.

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- Standard Steel Construction Company, Port Robinson, Ont.
- London Steel Construction Company Ltd.

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WINNIPEG · KIRKLAND LAKE

Foiled!

Rabbits on some western farms are leading frustrated lives these days. The succulent bark of their favorite fruit trees has been wrapped in aluminum foil, so now they can't get at it.

This was a new one on us. We had heard of dozens of uses for the foil we roll at Kingston, Ont., but never for frustrating rabbits. However, it just goes to illustrate why more people are using more aluminum and why we, as the most efficient producer of this modern metal, must go on expanding. Aluminum Company of Canada, Ltd. (Alcan).

Report On Newsprint Cos.

(Continued from page 51)

rail car, ferry slip is now in service, the hog fuel dock is completed with the exception of the installation of the unloading crane. The piling for the deep-sea dock has all been driven and the deck is now being constructed.

(3) Thirty per cent of the piling has been completed for the woodmill foundation.

(4) About 7,000 yards of concrete have been poured and the main mill foundation is complete, including the boiler-house footings.

(5) The general office has been completed and is now in use.

(6) The paper warehouse, planned to handle 5,000 tons, is completed and now in use for the storing of construction supplies.

The newsprint machine will have a wire width of 284 in. designed to operate at 2,000 ft. per minute. All electric power for the plant will be purchased from the B. C. Power Commission at the nearby John Hart power development. The sulphite stock will be brought from Ocean Falls in roll form and will be repulped.

Based on a production of 74,400 tons a year, current costs of raw materials and supplies and current labor rates, the company's cost of production per ton of newsprint paper, finished ready for shipment at Duncan Bay, is estimated at $67.58 a ton which includes $11.09 a ton depreciation.

Elk Falls Co. will sell Crown Zellerback Corp. (parent company of Pacific Mills, Ltd.) a minimum of 60,000 tons of newsprint per annum for a minimum of 10 years. Crown will then sell it in the U. S. at Crown's announced prices and will pay Elk Falls Co. the average net realization per ton (gross selling price less freight and delivery expense) which Crown realizes from its total sales in the United States of newsprint manufactured in its own mills and purchased from Elk Falls Co. and Pacific Mills Ltd., less 3% discount for selling the newsprint and assuming credit risks.

At Crown Zellerback's present announced prices based on a Pacific Coast port price of $106 per ton which became effective on Nov. 6, 1950, it is estimated that Crown Zellerback's "average realization" in the United States, less freight and delivery charges, less 3% discount, will be $91.32 per ton. On this basis and converting U. S. currency at par into Canadian currency and estimating a newsprint production cost of $56.49 a ton before depreciation and on the basis of 74,400 tons production a year, operating profit would be $2,591,352 and net profit after depreciation, all bond interest and income taxes at present rates, would be $681,921. This would indicate earnings available for bond interest after depreciation of 3.10 times the combined interest requirements of the proposed issues.

Capitalization consists of the $4 millions first mortgage serial 3% and 3½% bonds, $6,500,000 4½% first mortgage bonds, $3 millions 5% general mortgage bonds, 200,000 no par value Class "A" common shares nonvoting, and 600,000 no par value Class "B" voting common shares. Pacific Mills Ltd. subscribed for 100,000 Class "A" shares and 300,000 Class "B" shares. Canadian Western Lumber subscribed for 300,000 Class "B" shares and has an option on the other 100,000 Class "A" shares which were subscribed for by Messrs. H. J. Mackin and R. J. Filberg, acting on behalf of themselves and others.

Great Lakes

Great Lakes Paper Co. manufactures newsprint and unbleached sulphite pulp at its plant located on the Kaministiquia River near Fort William, Ont. Full facilities are available for rail and water shipments. Annual capacity is around 140,000 tons of newsprint plus 48,000 tons unbleached sulphite pulp for export.

Under an agreement dated March 14, 1940, the company obtained a 21-year lease, with provision for renewal for a further 21 years, of Ontario timber areas considered adequate for the future operation of the mill. Timberlands held under lease and by freehold title cover over 3,500 square miles in Ontario and are estimated to contain over 13,500,000 cords of pulpwood of which over 11 million cords are suitable.

Production in 1950 totaled 140,873 tons (142,745 tons in 1949) of newsprint paper and 46,238 tons (26,468 tons) of unbleached sulphite. In addition 3,258 tons of other wood pulp was shipped to customers.

Net sales were $18,986,612 in 1950 as compared with $16,216,493 in 1949.

Net profit of $2,770,871 for 1950 represents an increase of 58% over 1949 net of $1,750,240. It was equivalent to earnings of $14.96 ($9.12) a share on the combined Class "A" and Class "B" shares and to $6.07 ($3.49) an old common share (prior to the three-for-one split).

During the first six months of 1951 net profit amounted to $1,818,810 up 57.9% from the comparable 1950 net of $1,151,722. The six months net is equivalent to earnings of $9.82 ($6.00) on the combined Class "A" and Class "B" shares and of $1.23 (81c) a common share.

Capitalization, outstanding after giving effect to a three-for-one common stock split approved by shareholders June 29, 1951, consists of $3,350,000 3½% first mortgage bonds due Aug. 1, 1966; $1,483,000 3½% first mortgage bonds due Aug. 1, 1967; $382,000 4% debentures; 85,243 shares of $2.50 Class "A" preferred stock, n.p.v.; 100,000 shares of $1.20 Class "B" preferred stock, n.p.v.; and 1,200,000 n.p.v. common shares.

Control of Northern Wood Preservers Ltd., Port Arthur, was acquired early in 1951 in an effort to accomplish a maximum utilization of timber resources. This company carries on a substantial business in production and creosote treatment of lumber poles, railway ties, etc.

Jas. Maclarens

The James Maclaren Co. operates a lumbering and newsprint business with a newsprint mill at Masson, Que., and a groundwood mill at Buckingham, Que.

A new groundwood pulp mill is being built close to the paper mill at Masson to replace the present 85,000 - tons - per - annum mill. Four magazine grinders are expected to be in operation for the end of October, the final capacity to be 12 magazine grinders.

Capital expenditures on this program, plus expenditures on a new office building and telephone exchange at Mont Laurier, totaled $850,000 last year. The telephone activities of the James Maclaren Co. have since been taken over by a new wholly owned subsidiary, Lievre Valley Telephone Co. It's expected this company will have almost 1,000 subscribers before the end of 1951 and it has been expanding its facilities in the area as rapidly as possible.

On the Lievre River watershed the company holds under crown lease about 2,600 sq. miles of timber limits estimated to contain over six million cords of wood, enough to supply the requirements of the mill for at least 50 years, company estimates.

Newsprint production for 1950 fiscal year ended Nov. 30 was 110,760 tons, compared with 108,195 the year before.

Consolidated net profit of Maclaren Power & Paper Co., which wholly owns the James Maclaren Co., amounted to $2,918,390 in 1949-50 compared with $2,372,638 in 1948-49. Dividends totaling $3 per share on the common were paid compared with $2.75 the year before.

The extension program and improvement program are under way with completion expected within about a year at an estimated $2 millions.

Minnesota & Ont.

Minnesota & Ontario Paper Co. produces and markets newsprint and specialty papers, kraft, insulating and building material and other timber products in the United States and Canada. It also engages in a number of related activities, including the generation of steam and hydro-electric power for lighting purposes and for use in its plant. In addition its national pole and treating division operates plant facilities in Minneapolis, Minn., and Hillyard, Wash.

Plants of the company and its producing subsidiaries have an annual capacity of approximately 263,000 tons of paper of which 70,000 tons are produced in the United States and 193,000 tons in Canada. The company also has an annual capacity in excess of 400 million sq. ft. of structural insulation board, "Insulite." In addition, about 460,000 squares of insulating siding board processed from Insulite building board are manufactured by others for account of the company for resale to the trade.

Plants are as follows:

International Falls, Minn., which produces groundwood printing and converting papers, bleached kraft and sulphite converting papers, bleached book and writing papers and bleached sulphite pulp in greater quantities than required for its own production. It also produces Insulite.

Fort Frances, Ont., which produced newsprint in both rolls and sheets and groundwood printing and converting papers. Facilities also include a power generating plant.

Kenora Mill which produces newsprint in rolls only and unbleached sulphite pulp in greater

(Continued on page 57)

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In the past forty years, Canada Wire and its "Red Reel" have established a world-wide reputation for engineering progress in the manufacture of wires and cables for the electrical field.

Today, Canada Wire research and engineering staffs are continually striving to improve and develop methods in their own fields. Their "know-how", combined with exacting inspection and testing at every stage of production, results in "Product Control" from the basic raw materials to the completed product.

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Nickel Aids Industry Win the "Acid Test"

One of the few things a nickel will buy today is a newspaper. But the newspaper's arrival in the hands of the reader owes more to nickel than merely the coin paid for it.

More and more, Canada's pulp and paper industry is turning to machinery and equipment containing nickel and nickel alloys. Why? Not just because nickel alloyed with other metals makes them stronger, tougher and more resistant to wear.

The main answer is corrosion. This condition, a nuisance in homes and a number one menace in industry, is estimated to cause an annual world loss of between one-half and two billion dollars. Canada's pulp and paper industry has borne a large share of this loss. Shutdowns to replace corroded and worn out parts can be very costly, running to $1,000 an hour in the case of a newsprint machine. Beside the shutdown expense there is that of replacing the equipment.

Corrosion has been the subject of extensive research because of the excessive and unnecessary waste it causes. Effective and economical methods of combating it are being sought and found.

Take corrosion in the home, for example. Furnace pipes are being coated with corrosion resisting compositions. Food cans today are coated inside with tin and most are lacquered over this, to prevent corrosion by the contents. These are some steps taken to prevent corrosion in the home. What about industry? If it weren't for corrosion control, the varied shades of milady's wardrobe would be impossible. Dye chemicals would attack the vats containing them and affect the color hues. Nylon and other synthetic materials would never be produced and neither would the wonder drugs.

Close attention has been given automobile parts which are especially subject to corrosion.

During the war developments in corrosion control permitted warships to operate farther from their bases and for longer times. Ship parts are subjected to corrosive salt water, steam and so on.

Fighting the Battle

Corrosion is fought in three ways: Coating (metallic and non-metallic); elimination of corrosive influences; and corrosion resisting solid materials. It is mainly in the metallic coatings and corrosion resisting solid materials that nickel enters the picture.

Although nickel was isolated as an element 200 years ago, the story of nickel, as we know it today, goes back about 30 years for its beginning.

Nickel, in a sense, was a casualty of the first world war. It had found its original large market in armaments and when the war ended so did the market for nickel. But the Canadian nickel industry was a lot more interested in peacetime products than the weapons of war. The International Nickel Company, for instance, started a research program that is outstanding in the history of industry. Out of that 30 years of research have come nickel alloys that stand almost alone in the fields of corrosion resistance and strength.

The very nature of the pulp and paper industry, Canada's biggest, calls for the use of a great deal of nickel. The chemicals used in the manufacture of pulp, and often the wood itself, usually processed under pressure and high temperature, have a corrosive effect. In addition there is the stress and strain on machines used to further refine the pulp after chemicals have been applied. Throughout this process heat plays an important part. Thus it is obvious that equipment in a pulp and paper plant takes a severe beating. Nickel and its alloys have the qualities to withstand this rough treatment.

Major Products

What nickel products are important to the pulp and paper industry?

First, there is commercially pure nickel. A wrought metal, this combines good mechanical properties with generally good corrosion resistance. But it is particularly good under special conditions of corrosion, such as handling of caustic soda.

Monel, an alloy about 60% nickel, is a standby in corrosion resistance. It finds its use in many applications where this quality is required, together with high strength and ductility.

A hardenable material, "K" Monel has the corrosion resisting qualities of Monel but is harder and stronger.

Another high nickel alloy, Inconel has proved its worth as a corrosion resistant material with high fatigue qualities. A group of nickel bearing alloys having extremely wide usage in the pulp and paper industry are the stainless steels. These alloys, which for the most part contain about 10% nickel, are used throughout the entire processing cycle from digestion to final screening.

Work Together

While the pulp and paper industry is a big market for nickel, and becoming a bigger one every day, the nickel industry is a big market for paper. Since Inco began its research program some 30 years ago, it has issued literally millions of booklets, bulletins and brochures to inform industry of the magic qualities of its alloys.

Recognizing their interdependence, the pulp and paper and the nickel industries have held joint welding clinics and corrosion forums regularly in recent years. The purpose of these meetings, which have been held in such places as Port Arthur, in the middle of the pulp and paper section of Ontario, and Three Rivers, a similar area in Quebec, has been to fully explore how nickel bearing alloys can aid the pulp and paper industry and to demonstrate the most modern methods of fabrication, such as welding, in pulp and paper plants where maintenance is such a vital factor.

When Corrosion Occurs

To see where these alloys apply in the pulp and paper making process, let's select a few points throughout the pulp processing cycle where corrosion occurs and where shutdowns can be costly. When the pulp is chipped, it is ready for a tank similar in purpose to a stomach and aptly called a digester. Here, chemicals, depending on the type of pulp required and the type of wood used, are mixed with the pulpwood chips and the mixture resulting from this chemical reaction is very corrosive. The whole process is subjected to high temperature and pressure.

Tests have shown that with certain types of pulpwood a stainless steel clad or lined digester stands up well to corrosion. For use in sulphate digesters, Inconel gives the best service. Inconel has also proved valuable for digester accessories such as valves and fittings and nozzle linings where stainless steel is said to be subject to embrittlement due to leakage.

The tiniest insect couldn't find its way through the holes in the screening necessary in the pulp and paper industry. Although the search continues for better screening materials, the severe service due to the corrodability of the solutions and the large volumes handled make the maintenance of screening equipment a costly and troublesome factor.

Nickel alloys in a variety of forms and compositions are used extensively throughout the refining operations. Typical of such applications is the use of Inconel for slotted and perforated screen plates and Monel for beater bars and jordon fillings.

Paper is made, for the most part, on endless, high speed, finely woven belts which constitute the heart of the so-called Fourdrinier, or paper making machine. Nickel alloys have long proved their worth in this end of the business. Monel has given excellent service for head-box linings and save-all pans. Duranickel, a very tough and hard alloy of almost pure nickel, is the best material known for shaker spring service.

And in Pipes

The pulp and paper making process is an almost continuous one with pulp stock always on the move. The large pipes which are used to transfer pulp in process are called stocklines. Corrosion and erosion are ever present troubles. One pulp mill reports a Monel stockline carrying washed sulphite pulp to the paper making machines in service for 20 years and still going strong.

The chemical recovery plant, the source of the industry's by-products, is particularly subject to corrosion. In these processes stainless steel, Inconel and Monel have been used to good advantage.

Use of Monel and stainless steel sheet, wire, tubing and other mill forms has been common practice in pulp and paper mills for many years. They have found application in such parts as head-box linings, stock and white water lines, perforated screen plates, table rolls and many others. Duranickel and "K" Monel and other high nickel alloys complement Monel and the stainless steels. Together these alloys form an integrated family of toughness, high strength, hardness and corrosion resistance.

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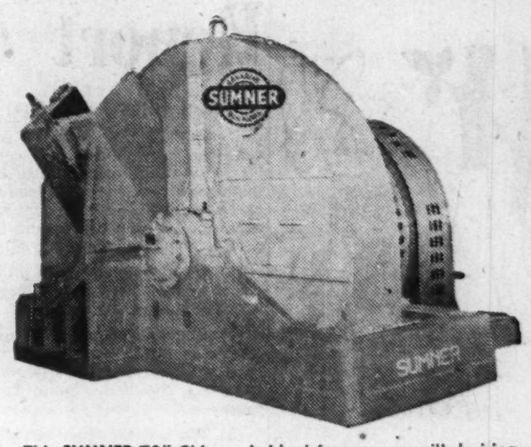

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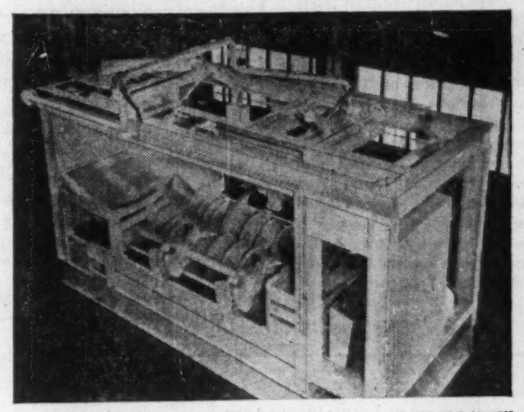
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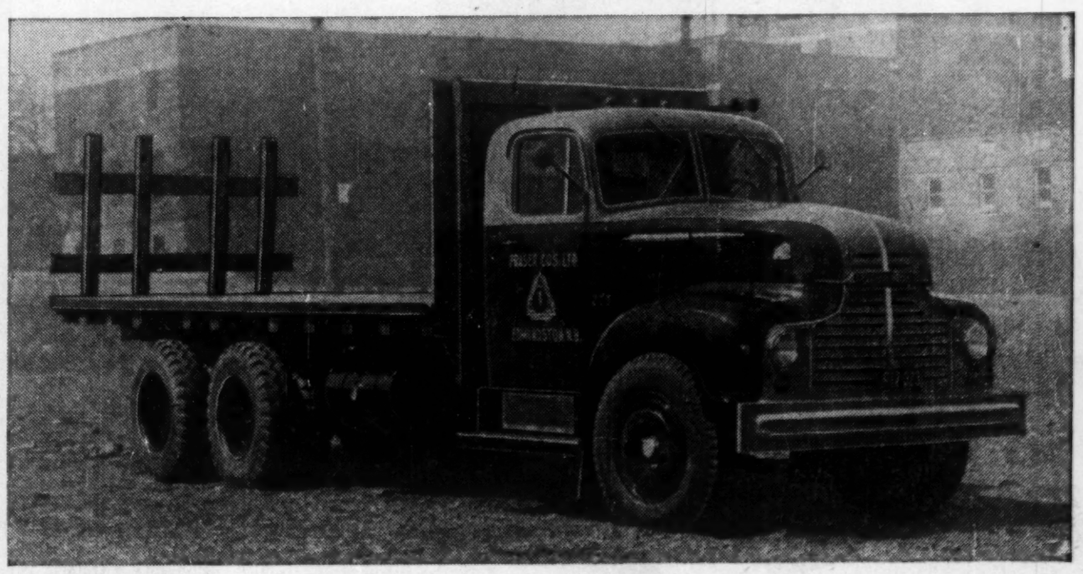

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The Original Canadian Company
Established 1866

Report On Newsprint Cos.

(Continued from page 55)

quantities than required for its own production.

Other activities include:

(1) Supplying, but not distributing water for the city of International Falls.

(2) Ontario-Minnesota Pulp & Paper Co. supplies electricity to the distributing systems of Kenora and Fort Frances.

(3) International Bridge & Terminal Co. operates a toll bridge between International Falls, Minn., and Fort Frances, Ont.

(4) Minnesota, Dakota & Western Railway Co. acts as a common carrier railroad serving International Falls.

(5) Rainy River Improvement Co. distributes electric power in International Falls.

(6) Border Publishing Co. publishes a daily newspaper at International Falls and does job printing.

The company's expansion program, initiated in 1945, was substantially completed by the end of 1949. Company's program for the next several years calls for annual expenditures exceeding annual consolidated depreciation of around $2,600,000, according to President J. B. Faegre.

Consolidated net sales of $51,323,786 for 1950 were up 17% from the 1949 sales of $43,909,299.

Consolidated net profit of $5,260,462 for 1950 was up 54% from the 1949 net of $3,409,702. This was equivalent to earnings of $4.09 a common share ($2.65).

For the first half of 1951 net sales were $29,296,428, up 21.2% from the comparable 1950 sales of $24,176,520. Net profit was $2,981,500 for this period— 33.8% higher than the net of $2,228,057 for the first half of 1950. This was equivalent to earnings of $2.32 a common share ($1.73 in 1950).

All paper production continues on a six day week schedule and insulation board production on a seven day week schedule, Mr. Faegre said last July. Water conditions were satisfactory with power production at a high rate.

Due to difficulties in securing materials and supplies, installation of capital additions and replacements was being delayed this year.

Pulpwood inventory at June 30, at all mill locations, was substantially above the inventory a year ago. Summer woods operations were progressing satisfactorily.

Capitalization outstanding at June 30, 1951, consisted of $210,600 2⅝% promissory notes due June 1, 1952; $1,947,000 first mortgage and collateral lien 3.2% sinking fund bonds due June 1, 1960, and 1,285,870 common shares, par $5. Indicated dividend rate on the common is $2 a share a year.

Mersey

Mersey Paper Co. owns and operates at Brooklyn, on Liverpool Harbor, N.S., a newsprint mill with a capacity of approximately 120,000 tons per annum. Plant was built in 1929.

The plant is located on ice-free tidewater, permitting deep water as well as rail shipments all year round.

Property consists of a groundwood mill, equipped with direct-connected, motor-driven magazine grinders; a three-digester tower system sulphite mill; and a paper mill containing two high-speed paper machines, each of 234-inch width, having a combined daily capacity of 365 tons. The plant is so designed that it may be economically extended as required by installation of two additional machines with a capacity of 250 tons per day of newsprint.

The company owns over 900 sq. miles of freehold woodlands estimated by the management to contain about 2.4 million cords of pulpwood 4½ in. or better in diameter. Under a Nova Scotia "Small Tree Act" the cutting of spruce and hemlock under 10 in. in diameter is subject to license, and it is the policy of the company to limit the cutting from its own land to the more mature trees and so to manage its own freehold holdings that the maximum growth and yield of these areas will be secured. More than one third of the timberlands in the province are owned by farmers and forest operators, from whom the company has been buying the greater part of its annual pulpwood requirements.

Renewable timber licenses are held on Crown lands under contract from the Province of Nova Scotia, estimated to contain one millon cords of pulpwood. The major part of this agreement is still to be implemented by the province. It is estimated that from these three sources an adequate supply of pulpwood for the company's operation can be obtained indefinitely and at reasonable cost, the company states.

Practically the entire output is sold to customers of long standing under long-term contracts. Power is obtained from Nova Scotia Power Commission hydro-electric development on the Mersey River, consisting of four power plants above the mill site with an installed capacity of 38,000 hp.

Subsidiaries are: Markland Shipping Co., shipping paper from the company's plants to New Zealand; Rover Shipping Co., shipping pulpwood and paper; and Brooklyn Shareholdings Ltd.

Consolidated net profit in 1950 was $3,192,708 compared with $2,468,478 in 1949. Earnings per common share amounted to $15.55 last year against $11.76 the year before.

The company converted its undistributed income on hand at Dec. 31, 1949, into tax paid undistributed income by payment of a 15% tax under the Income Tax Act. The capitalization of tax paid undistributed income was effected through the issue to common shareholders of 59,308 new 4½% preferred shares and cancellation (after redemption Dec. 18, 1950) of the $2½ million old preferred shares:

Three new preferred shares, $100 par, were issued to common shareholders of record Dec. 16, 1950, for each 10 common shares held, and one preferred share for each 20 common held (as a further distribution) to common shareholders of record Jan. 13, 1951. Initial dividend on the new preferred of $1.12½ per share was paid April 1 this year and regularly since.

Common dividends this year have been $1 per share April 1 and $1 per share Aug. 1. In 1950 the company paid three dividends of $1 per share plus a 50c per share extra on the common compared with a total of $2 per share in 1949.

Working capital at Dec. 31, 1950, amounted to $2,481,285 compared with $4,299,225. During the year the company retired $400,000 4½% serial first mortgage bonds, leaving $400,000 due 1951 which were retired in June. Funded debt now consists of $1.2 millions of 3½% serial bonds due 1952-57.

N. B. International

New Brunswick International Paper Co. is a wholly owned subsidiary of Canadian International Paper Co., in turn controlled by International Paper Co. of New York.

Its mill, at Dalhousie, N.B., on the Baie de Chaleur, is equipped with four paper machines having a total daily capacity of 760 tons of newsprint (234,840 tons annually on a 309-day basis). It also has a wrapper machine with a daily capacity of about 28 tons. The mill is fully equipped to produce all its own regular pulp requirements. Steam and electric power are purchased from Gatineau Power Co., the purchased power sometimes being supplemented by using purchased steam to generate electricity in its own turbine.

The company's timber limits total some 1,530,000 acres. In addition to other holdings, sole ownership of 122 acres in Matapedia County and cutting rights on 714 acres in Casault and Blais Townships were granted by the Quebec Government in 1945.

Individual financial and operating statements of New Brunswick International are consolidated with those of International Paper Co.

Ontario Paper

Ontario Paper Co., Thorold, Ont., and its wholly owned subsidiary, Quebec North Shore Paper Co., at Baie Comeau, Que., are owned by the Chicago Tribune and the New York Daily News.

The Thorold paper mill, which produces 585 tons of newsprint daily, obtains its pulpwood requirements from timber lands at Shelter Bay and Franquelin, Que., and at Heron Bay, Lake Superior, and Manitoulin Island. The pulp sales plant has a capacity of 120 tons per day which is sold on the open market. Ontario Paper Co. also operates the Beaver Co. newsprint machine using its own supplies and some of its own staff.

The Thorold mill also includes a board machine with a capacity of 15 tons per day to provide newsprint wrapper for its own use and for the Baie Comeau mill.

A subsidiary, Quebec & Ontario Transportation Co., Ltd., operates a line of lake boats on the Great Lakes and the St. Lawrence River, moving pulpwood and other raw material to the mills and newsprint to New York and Chicago.

The Baie Comeau plant of Quebec North Shore Co., produces 500 tons of newsprint daily and the pulp sales plant has a capacity of 120 tons per day.

The Thorold plant manufactures alcohol from waste sulphite liquor, with annual output about 800,000 gals. This quantity is absorbed by Canadian manufacturers of commercial products ranging from anti-freeze to pharmaceuticals.

Financial and operating figures are not submitted for publication as there is no direct public interest.

Pacific Mills

Pacific Mills Ltd., a subsidiary of Crown Zellerback Corp. of the United States, operates pulp, paper and lumber mills at Ocean Falls, 310 miles southwest of Vancouver, B.C. and a paper converting plant at Vancouver. Through a subsidiary, Canadian Boxes Ltd., in Vancouver, it manufactures corrugated and solid fibre shipping containers.

In each of the last two years it produced the following:

Year Ended April 30:	1951 Tons	1950 Tons
Newsprint	88,463	86,862
Kraft & manilla wrapper	30,252	25,829
Liner & corrugating	23,629	18,339
Specialty papers	7,984	6,044
Pulp for sale ..	12,664	.....
Totals	162,992	137,074

Tonnage produced during the last fiscal year was the highest in the company's history and 19% over the previous year. Sales at $27,668,877 increased 23% compared with the previous year as a result of increased production and

(Continued on page 58)

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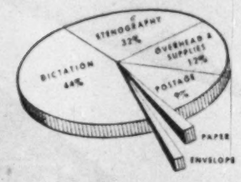

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Report On Newsprint Cos.

(Continued from page 57)

prices of paper products. During the year production and shipment of pulp in excess of that required for the manufacture of paper was resumed following a material improvement in pulp prices.

Net profit for the year ended April 30, 1951, was $4,238,433, up 25.9% from the previous year's net of $3,365,307. It was equivalent to earnings of $212.04 a preferred share and $13.73 a common share.

Working capital was $7,517,174, down from $10,896,584 for the previous year. This was occasioned by an investment of $4 millions in the share capital of Elk Falls Co., according to President P. E. Cooper.

The company joined with Canadian Western Lumber Co. to form Elk Falls Co. and build and operate a newsprint mill at Duncan Bay near Campbell River, Vancouver Island, B.C. (See report on Elk Falls).

Cost of the new mill is estimated at $21,500,000. Pacific Mills Ltd. has invested $4 millions in the common stock and jointly with the Canadian Western Lumber Co. has agreed to purchase additional class "B" common shares if proceeds of securities of Elk Falls are insufficient to complete construction of the mill and to provide initial working capital of not less than $2 millions.

In the last fiscal year capital expenditures of Pacific Mills amounted to $3,571,000, the most important project being the new sawmill and a new apartment building at Ocean Falls.

The Vancouver converting division operations have progressively increased in past years and the present premises will soon be inadequate for expected growth in business, so directors authorized the purchase of an industrial site with water frontage and rail trackage in Vancouver. Thus the company will have an alternative site available if it is decided to construct a new converting factory.

Capital stock outstanding at April 30, 1951, consisted of 19,989 shares of 6% preferred stock, par $100, and 300,000 ordinary shares, par $25.

Price Bros.

Price Bros. & Co. manufactures newsprint, unbleached sulphite and groundwood pulp, paperboard and other paper specialties, sawn lumber and other timber products such as shingles, ties, laths, etc.

Its two newsprint mills, with necessary pulp manufacturing equipment, have a total annual capacity of about 455,000 tons of newsprint. The larger of these, at Kenogami, Que., has a capacity of 240,000 tons annually, while the other, at Riverbend, has a capacity of 215,000 tons annually. At the Kenogami mill there is also a cardboard and wrapping paper machine with a capacity of 17,000 tons annually. Products from this machine include mill wrappers, screenings board, pulpboard, egg case filler board and imitation leather board. The Riverbend mill, besides standard newsprint, produces special vacuum dried newsprint.

Price Bros. also owns and operates three sawmills, at Rimouski, Matane and Priceville, with a combined annual capacity of about 60 million ft. board measure plus 30,000 tons of sulphite chips. Its Rimouski mills were destroyed by fire early in May, 1950, the company losing 11 million feet of lumber, its sawmill and box factory, office, machine shop and some houses. The Rimouski log cut was sawn last year at a temporary sawmill built following the fire and this mill is being used in 1951.

The company also operates under lease the Jonquiere Pulp Co.'s cardboard and specialty mill with 30,000 tons annual capacity.

In its own right or through subsidiaries, Price Bros. owns and controls about 7,521 sq. miles of leasehold crown lands and 186 sq. miles of freehold lands. Most of this timber area is located on watersheds tributary to its principal plants on the Saguenay and St. Lawrence Rivers. Areas tributary to its mills, and from which pulpwood can be delivered at relatively low cost, were estimated in 1937 to contain a sufficient supply for operation of the mills at their present capacity for over 60 years without allowing for regeneration.

The company has six developed waterpowers, with an aggregate of 73,194 hp, and two undeveloped waterpower sites on the Shipshaw and Valin Rivers with a potential capacity of about 60,000 hp.

Construction of a new 70,000-hp power plant on the Shipshaw is now under way, the company reported at its annual meeting last April. Completion of the plant will provide an assured supply of primary power at low cost, it was stated.

Due to increased North American consumption and resumption of overseas buying last year, demand for products was up from 1949. Increased production in the paper and board mills was shown as a result of capital improvements, and net profit rose 29.6% to $9,237,564 ($7,125,007 in 1949). This was equal to $184.75 ($142.50) per preferred share and $4.12 ($3.16) per new common share.

Output in 1950 set a new record for Price Bros. and demand for the first quarter of this year was up from the same period a year ago. Outlook for 1951 is very satisfactory, it was stated at the annual meeting, with demand continuing strong. It was noted, however, that newsprint production costs are increasing, exchange premiums are lower and taxes are higher.

Working capital at Dec. 31, 1950 totaled $36,021,942, substantially higher than the $27,081,274 shown a year earlier. Cash rose to $3,889,430 from $2,785,290, while investments in marketable securities at quoted values increased sharply to $18,399,446 from $6,344,393. Inventories dropped somewhat at $18,410,193 from $20,829,390.

In co-operation with a machine tool manufacturer, Price Bros. has developed a new machine, the "Curlator," for processing pulp. This, the company expects, will constitute an important contribution to the papermaking art and be of economic benefit. Last year, due to the curlators and other mill improvements, it continued to use less wood per unit of product than previously.

Powell River

Powell River Co. is the largest producer of newsprint on the West Coast, is also a large producer of sulphite pulp and through its subsidiaries manufactures lumber and other wood products. Through wholly owned subsidiaries, the company has complete control of its production from the standing tree to the finished product.

The company operates at Powell River, about 80 miles north from Vancouver on the B. C. coast. Products are consumed principally in the United States, Canada, Australia, New Zealand, Territory of Hawaii, Alaska, the United Kingdom and the Orient.

The company owns or controls in excess of 460,000 acres of high grade standing timber estimated to contain about 6,750 million board feet and located along the north coastal area and the Queen Charlotte Islands.

Last month it was announced that the company was negotiating for the purchase of B. C. Manufacturing Co. and its affiliates, Westminster Shook Mills, Maple Ridge Lumber Co. and Salmon River Logging Co. for a price of around $10 millions. Companies hold more than two billion feet of timber on the northern part of Vancouver Island adjacent to Powell's mainland holdings and this includes a forest management license tract of about one billion feet.

Hydro-electric developments of the company total 95,000 hp and consist of a 53,000 hp installation at Powell Lake watershed and a power house on the Lois River watershed adjacent to the mill with two units about 21,000 hp each. The company also has an auxiliary steam plant of 7,200 hp.

Production in 1950 consisted of 294,753 tons (285,400 in 1949) of newsprint, 40,656 tons (34,281 tons) unbleached sulphite pulp, 4,599 tons (4,856 tons) wrapper for newsprint and 3,828 tons (2,577 tons) laminated and other products.

During 1950 a $12 millions replacement modernization of plant properties program was started, scheduled for completion in 1952. Some of the major items are: waterfront development, dredging and improved facilities; speed-up of paper machines; sawmill modernization and improved facilities and increased equipment in the barker mill; steam plant extension with new boiler of 200,000 lb. high pressure steam per hour capacity; extension to groundwood mill in which additional grinders of new type will be used; installation of new turbo-generator for additional power; replacement of transmission line from Lois River to Powell River with steel-towered double-circuit line and complete modernization of electrical distribution system.

Consolidated net profit for 1950 was $9,206,417 ($7,128,585), equivalent to earnings of $6.85 ($5.30) a common share.

For the first six months of 1951 earnings from newsprint sales were lower but revenues were increased from pulp mills, lumber operations and subsidiary companies. Production for the six months totaled some 149,153 tons (146,727 tons) of newsprint, 23,671 tons (18,452 tons) unbleached sulphite pulp and 1,528 tons (1,316 tons) other products.

Consolidated net profit for the six months ended June 30, 1951 was $4,245,914 or $3.16 a common share—up 4.4% from the comparable 1950 net of $4,065,725 or $3.02 a common share.

Capitalization as at Dec. 31, 1950 consisted solely of common stock of which there were 1,612,325 n.p.v. shares authorized, 1,344,695 n.p.v. shares issued. Shareholders approved a three-for-one stock split at a special general meeting on July 24, 1951, to become effective Oct. 1, 1951 when new certificates and share warrants will be available.

Que. North Shore

Quebec North Shore Paper Co., a wholly owned subsidiary of Ontario Paper Co., Thorold, Ont., operates an up-to-date newsprint mill at Baie Comeau, Que. This mill, constructed in 1938, was the first major industrial enterprise established on the lower St. Lawrence north shore and required complete townsite, power, mill and woods development. This is in the general area in which the titanium and iron ore developments are now being opened.

The mill produces about 500 tons of newsprint daily with pulpwood being supplied from the extensive timber lands at Baie Comeau. The majority of the paper output is contracted for by the New York Daily News and the remainder by the Chicago Tribune.

The pulp sales plant has a capacity of 120 tons per day. The power plant on the Outardes River has a capacity of 77,000 hp and supplies mill power requirements and lighting facilities in the town of Baie Comeau. The company properties in the townsite are operated by Baie Comeau Co., a subsidiary of Quebec North Shore Paper Co.

The Manicouagan Power Co., a subsidiary of the Quebec North Shore Paper Co., was incorporated early this year to develop hydro-electric power at the first falls of the Manicouagan River at an estimated cost of around $15 millions. Construction started in the early spring and will employ 1,500 men for a period of 2½ years. Two generators, with a total capacity of 90,000 hp, are being installed to supply the power needs of the Baie Comeau mill and provide electricity for the communities and industry that are growing up on the North Shore as a result of the development of this part of Quebec by the company at Baie Comeau.

Individual financial and operating statements are not issued by the company for publication as there is no public interest in the company.

Richmond P & P

Richmond Pulp & Paper Co. was formed early in 1950, acquiring the Bromptonville, Que., plant, formerly owned by Brompton Pulp & Paper Co., which was shut down in May, 1949. Early in July of this year it completed its first full year of operation under present ownership and hopes shortly to reach an output of 100 tons of newsprint daily.

The mill, which lay idle from May, 1949, to July, 1950, has undergone considerable renovation since it was put back in production. Rated at 17,000 tons a year, it has been running lately at 70 tons a day or about 21,500 tons a year and when current alterations are completed will be stepped up nearly 50%. Work now under way includes a new drive and new suction presses to relieve the strain on the paper so it can take higher machine speeds.

The company's pulpwood supplies consist wholly of purchased wood, President Gene H. Kruger reports.

This mill, and the water power rights, were sold in 1949 by Brompton Pulp & Paper Co. to the City of Sherbrooke for $725,000. The buildings were subsequently optioned for $400,000 to a U. S. firm, Reliance Enterprises Inc., which formed Richmond Pulp & Paper to operate the mill. Under the agreement, the company has also leased the 10,000-hp power plant for a 10-year period.

Brompton closed down the operation when newsprint became more readily available a little over two years ago, because production costs were considered too high.

Capital stock of the company consists of 5,000 no par value common shares and 2,500 $100 par preferred shares. It is understood that Gene H. Kruger and B. G. Kruger of Kruger Paper Co., Montreal, have a controlling interest.

St. Lawrence Corp.

St. Lawrence Corp. is a holding company controlling three subsidiaries which manufacture newsprint, kraft fibre and specialty papers, boxboards, shipping case materials, unbleached sulphite, sulphate and groundwood pulps. It controls directly Brompton Pulp & Paper Co. and St. Lawrence Paper Mills Co. The latter of these two, in turn, controls Lake St. John Power & Paper Co.

Combined annual capacity of all three subsidiaries totals 526,275 tons, including 304,775 tons of newsprint, 9,000 tons of boxboard, 85,000 tons of container material, 35,500 tons of kraft paper and board, 32,000 tons of groundwood, 23,500 tons of sulphate pulp and 36,000 tons of sulphite pulp. In addition, white paper and toweling are produced. Newsprint mills are at Trois Rivieres and Dolbeau, container material mills at East Angus, Que., and Red Rock, Ont., kraft paper and board at East Angus.

Income of St. Lawrence Corp. consists entirely of dividends from Brompton and St. Lawrence Paper Mills. These were sharply higher in 1950; total income, accordingly, rose substantially to $3,345,898, from $1,379,843 in 1949.

Consolidated earnings for the year showed a sharp gain from 1949. Consolidated net profit set a new high at $8,270,870, up 59.8% from 1949's $5,174,311. This was equal to $24.74 ($12.08) per first preferred share, $59.52 ($13.45) per second preferred share and $4.41 ($1.72) per common share.

The gain in consolidated net profit has continued on into 1951. For the first six months of this year, a net of $3,569,685 was shown, up 12% from $3,194,522 in the same period of 1949. This increase, President J. I. Rankin noted recently, was due entirely to higher revenue from products other than newsprint, earnings from which were down sharply.

In July of this year, all the outstanding preferred shares of Lake St. John Power & Paper Co., St. Lawrence Paper Mills Co. and St. Lawrence Corp. itself were redeemed. Before redemption, the large majority of the holders of the corporation's first preferred shares converted their holdings into common shares on a two-for-one basis. Outstanding capitalization now consists of 1,102,715 common shares.

Consolidated working capital of St. Lawrence Corp., at Dec. 31, 1950, totaled $25,761,739, against $23,644,275 a year earlier.

St. Law. Paper Mills

St. Lawrence Paper Mills Co. produces newsprint, sulphite and groundwood at its Trois Rivieres, Que., plant. Annual newsprint capacity was increased 2,275 tons in 1950 and now totals 199,275 tons. The plant also has surplus capacity for the production of 10,000 tons of sulphite and groundwood pulp annually.

Timber limits consist of 873 sq. miles along the Mistassini, 341 sq. miles along the Riviere du Loup and 400 sq. miles at Trinity Bay. Itself controlled by St. Lawrence Corp., the company has three subsidiaries; Lake St. John Power & Paper Co., St. Lawrence Sales Co., and Tourville Lumber Mills Co.

Last year, newsprint production again touched a new high at 196,410 tons, up 3,867 tons from 1949. No excess sulphite or groundwood pulp was produced in either year. Net sales in 1950 climbed to $16,945,931 from $16,571,193 the previous year, and net profit rose 23.8% to $5,013,511 ($4,050,259). Dividends received from Lake St. John Power & Paper showed another increase at $1,303,464 ($1,103,435).

On a per share basis, the net was equal to $40.15 ($32.43) on the first preferred stock, $102.76 ($42.14) on the second preferred, and $6.09 ($4.04) on the common.

Newsprint operations were running at top capacity for the first half of this year and are expected to remain so for the balance of 1951. Higher costs, however, have been cutting into earnings substantially. For the six months ended June 30, 1951, net profit of $1,160,500 was down 35.7% $1,803,825 in the same period of last year. The $10 per ton newsprint price hike this year, it was stated recently, will offset only part of the increased costs now being borne by newsprint manufacturers.

In July, 1951, all the outstanding first and second preferred shares of St. Lawrence Paper Mills were called for redemption. As a result, outstanding capitalization now consists solely of 514,675 common shares, of which

(Continued on page 59)

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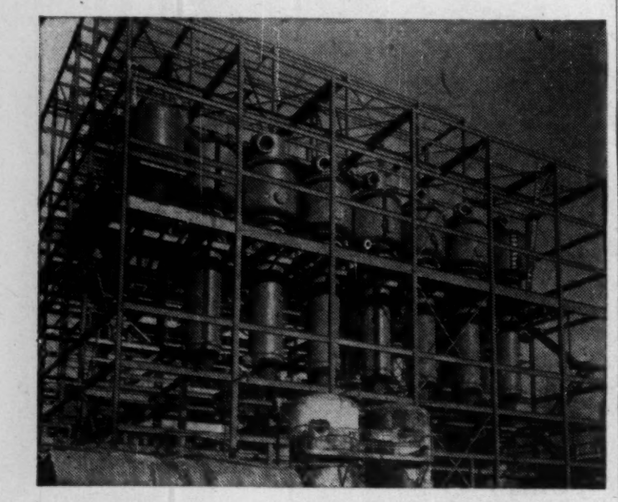

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Pulp, Paper Expansion in Maritimes

Higher Output, Greater Product Variety on the Way

Operations in the Maritimes' No. 1 industry — pulp and paper — have been moving along at a fast clip so far this year. Producers have been working to capacity, output has been expanded, production further diversified. From present indications, it looks as though the total value of this year's production will be up from the 1950 level.

Last year, the value of pulp and paper products turned out in the Maritimes totaled an estimated $95 millions. Of this, New Brunswick's share added up to about $80 millions, compared with $68 millions in 1950.

Published reports of Maritime companies in which there is a public interest have been showing sharp earnings increases in 1951.

Take Fraser Cos., for example. Its net was up some 82% in the first half from the same period a year ago. Bathurst Power & Paper Co. showed a 47% boost in the initial six months.

Pulp and paper production in the Maritimes includes virtually all the main types of products of the industry. Contained in the diversified list are fine and specialty papers, newsprint, bleached and unbleached sulphite and sulphate pulps, bleached groundwood pulp, boxboard, paperboard, and others.

Company Growth

Expansion within the industry lately has been quite substantial.

Last year, Bathurst Power & Paper spent $2,606,343 on additions to properties. One of the main projects completed was its new semichemical pulp mill, which started operations at the year-end.

This addition, the first of its type in Canada, employs hardwoods from the company's limits which formerly were not used. The pulp it manufactures is to be used for making a corrugating material which, the company states, produces a more rigid and better quality box.

Work started during 1950 on modernizing and rehabilitating one of its boxboard machines, expected to boost production of boxboard production by some 10,000 tons annually. Bathurst also expanded its container plants in Ontario and Quebec.

In the Fraser Cos. picture, one of the more important developments was completion of the first full year of operations for the company's new 140-ton daily capacity unbleached sulphate pulp mill at Newcastle and bleaching plant at Edmundston. The former was a major factor in boosting the company's total shipments sharply above the 1949 level, both through permitting greater production for a number of grades of paper and meeting more exacting specifications and through sales on the market in bleached and unbleached form. Average daily production there has been running at higher than rated capacity.

At Fairville, N.B., Saint John Sulphite Ltd. is busy raising its capacity for producing prime bleached sulphite pulp from 130 to 200 tons daily. Also planned by the company is a 250-ton daily capacity bleached kraft pulp mill, to cost more than $20 millions. Legislation in connection with several phases of this plan has been passed by the New Brunswick Legislature. So far, however, the company has given no indication of when a start might be made on the project, other than to say it is being considered.

On the pulpwood side, New Brunswick authorities earlier this year were estimating a total cut of 590,000 cords on Crown lands for the year ended Aug. 1, 1951. This is up sharply from the previous year's 338,360 cords and even from the old record 1946-47 and 1947-48 seasons, when 547,000 and 535,000 cords respectively were cut.

It reflects the high level of pulp mill operations and the consequent depletion of wood supplies. Pulp producers have been busy replenishing inventories in recent months.

Reports on the Progress Of Newsprint Companies

(Continued from page 58)

513,770 shares are owned by St. Lawrence Corp.

Net working capital at Dec. 31, 1950, totaled $7,579,188, against $8,068,043 a year earlier.

Lake St. John

Lake St. John Power & Paper Co. operates a complete pulp and newsprint mill at Dolbeau, on the Mistassini River just north of Lake St. John, Que., and has equipment for packing and shipping unbleached sulphite pulp. Present installation consists of two 247-inch newsprint machines with a total rated annual capacity of 105,500 tons. Sulphite pulp capacity is 30,000 tons a year.

The company holds under lease from the Province of Quebec 2,059 square miles of timber limit estimated to contain over 12 million cords of pulpwood. They are located on watersheds of the Mistassini River and are estimated to meet present requirements in perpetuity.

Lake St. John & Power is a subsidiary of St. Lawrence Paper Mills Co., controlled, in turn, by St. Lawrence Corp.

Last year, newsprint production rose 2,029 tons to 104,822 tons, while sulphite production was up 10,380 tons at 15,563 tons. Net sales climbed 12.5% to $10,421,253 and net profit was up sharply at $2,199,570 ($1,332,808 in 1949). This was equal to $122.20 ($74.04) per preferred share and $20.92 ($12.25) per common share.

For the first half of 1951, net profit at $1,287,076 showed a 30.1% gain over $988,628 in the same period of last year. Earlier in 1951 the company stated that earnings from sales of the considerable amount of surplus unbleached sulphite it has had been more than sufficient to compensate for the higher cost of newsprint. The company expects to continue operating at capacity for the rest of this year.

In July, 1951, all the company's outstanding preferred shares were redeemed. As a result, the sole outstanding stock capitalization now consists of 100,000 common shares, of which 99,663½ shares are owned by St. Lawrence Paper Mills Co. Ltd.

Spruce Falls

Spruce Falls Power & Paper Co. operates a newsprint mill at Kapuskasing, Ont. Kimberly-Clark Corp., Neenah, Wis., owns 50.12% of the outstanding common stock and the New York Times, which purchases the largest proportion of its newsprint requirements from Spruce Falls, owns the minority common share interest. Bulk of the remaining newsprint production is sold to publishers of several newspapers, including the Philadelphia Enquirer and the Washington Star.

The Spruce Falls mill comprises a newsprint mill containing four paper machines; a mechanical pulp mill with a capacity adequate for the paper mill's requirements; and a chemical pulp mill whose capacity is sufficient to supply the newsprint mill and, in addition, to furnish the pulp requirements of Kimberly-Clark Corp. of Canada. The plant is also able to supply the parent with the current sulphite pulp requirements of its U. S. mills over and above its own productive capacity. The plant produces 750 tons of newsprint and 375 tons of sulphite pulp daily.

The plant includes a steam powerhouse adequate for its requirements and those of Kimberly-Clark Corp. of Canada and, in addition, the company has two hydro-electric power plants from which power is transmitted to the mill over private transmission lines. Water power rights are held under long-term lease from the Province of Ontario. Developed hydro-electric power aggregates 75,000 hp supplemented by a 10,000-kw standby steam turbine generator.

Cutting rights are held on extensive pulpwood limits on Crown timber lands under long-term leases which, in the opinion of the management, are adequate for present and future requirements.

The properties of the company include a modern hospital, hotel, clubhouse and recreational facilities as well as a large number of homes for employees.

In the past four years $5,500,000 has been spent in the modernization of the plant and allied facilities. During 1951 over $4,654,000 additional will be spent in modernization of the plant and speeding up of the newsprint machines. This will increase capacity by some 12,000 tons of newsprint annually.

At Dec. 31, 1950, current assets were $17,444,156 and current liabilities $4,355,392. Funded debt, after deducting $636,000 for maturities due July 1, 1951 and Jan. 1, 1952 which are in current liabilities, totals $1,272,000.

Plant facilities are working at capacity and continued demand for maximum production of newsprint and pulp is anticipated, Secretary-Treasurer George Barber says.

Bond Yields Up Slightly

The McLeod, Young Weir 40 bond yield average, compiled on the basis of bond prices as at Sept. 3, 1951, was 4.00% as compared with the previous month's average of 3.99%.

The average yields of municipal, public utility and industrial groups advanced .01%; .02% and .02% respectively over last month's figure while the average of the provincial group declined .04%.

Here is the performance of yield average by groups:

	Oct. 2, 1950	Mar. 1, 1951	July 31, 1951	Sept 3, 1951
10 Prov. ..	3.12	3.28	3.78	3.74
10 Mun. ..	3.43	3.57	4.33	4.34
10 Pub. U.	3.34	3.46	3.92	3.94
10 Indus. .	3.48	3.56	3.94	3.96
40 B'ds A.	3.34	3.47	3.90	4.00
Av. Matur.	17*	16* 8†	16* 1†	16*
Gov. of Can. 2¾%, due June 15, 1968	2.76	3.00	3.22	3.22

*Years. †Months.

SHELL OIL CO. has developed a new aviation gasoline ingredient said by the company to virtually eliminate spark plug fouling, long one of the most headaches of airplane maintenance. "This additive promises great advantages for both civil and military planes," Vice-president James H. Doolittle states. "Not only will it cut loss of time and money due to grounding of planes for unscheduled replacement of spark plugs, but it will also make engines more reliable and permit more economical operation through more efficient use of fuel."

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3 ways you can realize paper profits with help of TIMKEN® bearings

THE diagrams show typical Timken® bearing applications for three types of paper mill fourdrinier rolls. The result of using Timken bearings is the same in each case: lower production cost, less spoilage of paper—and therefore more profits.

Because Timken bearings' true rolling motion and smooth surface finish virtually eliminate friction, fourdrinier rolls turn freely. Power requirements are reduced, screen and felt life lengthened.

Maintenance and lubrication costs are cut to a minimum, too. And closures are more effective because Timken bearings keep housing and shaft concentric. Dust and grit kept out; lubricant is kept in. Paper spoilage from oil or grease is prevented.

Due to line contact between rollers and races, Timken bearings have exceptional load-carrying capacity. Tapered construction enables them to take any combination of radial and thrust loads. And Timken bearings are made of the finest steel ever developed for tapered roller bearings — Timken fine alloy steel.

No other bearing can give you *all* the advantages you get with Timken bearings. Whether you build or buy paper mill machinery, it will pay you to specify bearings that carry the trade-mark "Timken". The Timken Roller Bearing Company. Cable address: "TIMROSCO", Canton, Ohio.

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U. S. PLANTS: Canton, Columbus, Mt. Vernon, Wooster, and Zanesville, O.; Colorado Springs, Colorado.

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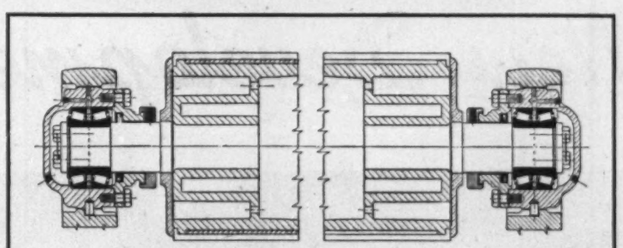
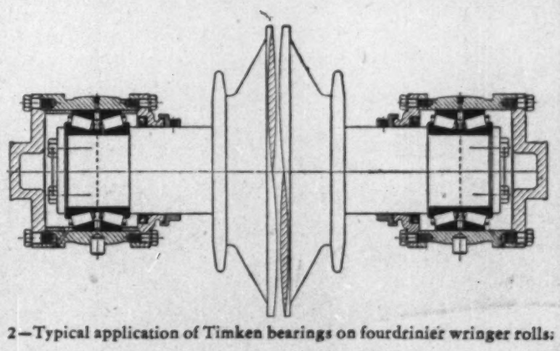
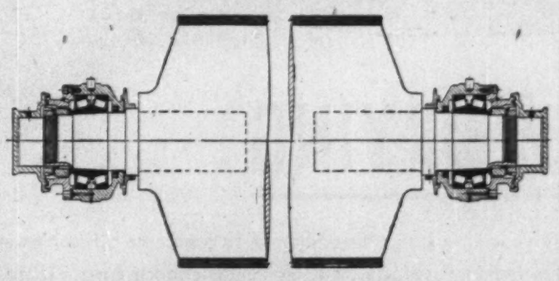


1—Typical application of Timken bearings on fourdrinier wire rolls.



2—Typical application of Timken bearings on fourdrinier wringer rolls.



3—Typical application of Timken bearings on fourdrinier top press rolls.

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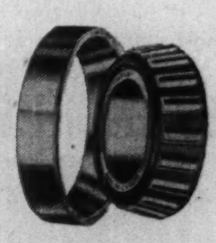

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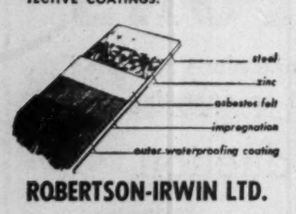

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Fine Paper Industry Expanding

(Continued from page 49)

tation costs on pulp now brought in from other company plants. It is also anticipated that there will be some surplus pulp for sale.

Besides the new sulphate mill, Howard Smith Paper Mills has an extensive program of plant renewal and extension under way, estimated to cost about $15.7 millions. Cost will be met from available earnings and general funds plus the proceeds of a $4 million first mortgage bond issue and a $6.5 million debenture issue, both sold earlier this year.

The program includes:

—Installation of a fourth Fourdrinier paper machine at the Cornwall division, expected to boost productive capacity of book, writing and related grades of paper by at least 18,000 tons annually.

—An extension to the soda pulp mill at Cornwall, expected to increase capacity for soda pulp production by about 25,000 tons a year, which will be used partly at Cornwall and other divisions, the balance being available for sale.

—At the Merritton division of Alliance Paper Mills Ltd., another Fourdrinier paper machine is being added, expected to raise capacity for glassine, greaseproof and other similar papers by about 5,000 tons annually.

—At the Arborite division, more new equipment is being installed, estimated to increase productive capacity by around 50%.

—New boiler plants are being erected at both Cornwall and Merritton.

During 1950, total sales of pulp, paper, chemicals and laminates were $51,656,671, up 19.6% over 1949. Pulp production was up 16.7%, while paper tonnages showed an 8.5% boost. These production records, it was stated, are chiefly the fruits of recent capital expenditures, while dollar value increased sharply due partly to price increases on most products. Demand in the first half continued at reasonably high levels. From the third quarter on, orders increased and soon outstripped capacity. By the year end, backlogs had amounted to serious levels but it is hoped anticipated new capacities will ease this condition towards the end of 1951. Demand for paper from export markets showed marked improvement during the last half and appears to be continuing, the company stated. Until the new paper machines come into production, however, only a small amount of tonnage will be available for sale in these markets.

Consolidated net profit totaled $4,546,007, against $3,161,445 in 1949. This was equal to $12.70 ($8.54) per common share.

Estimated net profit for the six months ended June 30, 1951, totaled $2,839,245, against $2,049,984 in the first half of 1950 and $1,262,571 in the same period of 1949. Estimated net current assets at June 30, 1951, totaled $16,291,116, against $15,876,376 a year earlier and $12,849,489 June 30, 1949.

Recently, Howard Smith Paper Mills announced a proposal for splitting its common stock on a four-for-one basis and increasing its authorized common stock capitalization. By this common stock capitalization would be raised to 1,600,000 shares authorized, 1,331,344 issued and outstanding, while, under one of the provisions of the new bylaw authorized capital would be increased by another 900,000 shares. Sale of 268,656 of the new subdivided shares to Wood, Gundy Corp. was approved, proceeds to be applied towards the company's expansion program and for general corporate purposes. This issue will raise outstanding common share capital to 1,600,000 shares, on the basis of the stock split. The company stated that it is proposed that the new shares will be placed on a dividend basis from $1 annually, to be maintained as long as business and the financial position of the company warrant.

During 1950, the company acquired additional shares of Donnacona Paper Co., bringing its total holdings at the year end to 231,747, shares out of 376,572 outstanding.

Total area of woodland owned by the company and its subsidiaries or held under license, consist of some 2,000 sq. miles in Ontario and Quebec. Water powers owned have a developed capacity of 6,800 hp, while additional energy is purchased under contracts with the Hydro-Electric Power Commission of Ontario and the Shawinigan Water & Power Co.

Provincial

Provincial Paper Ltd., controlled by Abitibi Power & Paper Co., manufactures and distributes high grade book, litho, bond, coated and writing paper. Production of machine-coated paper was started at the company's Port Arthur plant in June 1947 and is marketed under the name "Thriftcoat Enamel." A second unit for machine-coated paper was added in 1950.

The company has four mills, located at Georgetown, Thorold, Mille Roches and Port Arthur. The Georgetown plant is a paper coating mill; the Thorold plant has two paper machines with a daily capacity of 45 tons; the Mille Roches plant has two paper machines with a daily capacity of 45 tons; and the Port Arthur plant has two paper machines of 95 tons daily capacity, sulphite mill of 50 tons daily capacity and groundwood plant of 100 tons daily capacity. Equipment for the production of machine-coated book paper installed at Port Arthur in 1947 and 1950, at an approximate cost of $900,000, has annual capacity of 30,000 tons. Total annual capacity of all the company's plants is approximately 75,000 tons of fine paper.

In 1947, President D. W. Ambridge pointed out that physical conditions of some of the plants left much to be desired but that every effort was being made to catch up with deferred maintenance and install new facilities where most needed. By October, 1948, modernization of three mills had so increased their capacity as to allow closing of the obsolete and small Georgetown paper mill without affecting over-all production and the building was sold last fall. The company still operates its coating mill there.

Installation of the second machine-coated paper unit at Port Arthur at an estimated cost of $375,000, completed last year, about Canada's production rate on this high-grade paper used by book and magazine publishers.

Accounts of Provincial Paper Co. were consolidated with those of the parent company in 1949 and no separate statement was issued. Lower export sales by Provincial Paper recently reflect the disappearance, due to dollar shortages, of the market for fine paper outside North America.

The outstanding capitalization at Dec. 31, 1950, consisted of 20,000 preferred shares, $50 par value, and 350,000 common shares of no par value. The common is held entirely by Abitibi Power & Paper Co.

Rolland

Rolland Paper Co. manufactures and sells highgrade bond, writing, ledger, airmail, offset and mimeograph papers. Its plants are located at Mont Rolland and St. Jerome, Que. Annual production at the former is 10,000 tons of sulphite bond and rag stock paper and, at St. Jerome, approximately 15,000 tons of highgrade rag stock and sulphite bond papers.

Power plants owned by the company on the North River provide power for the mills, while additional energy is purchased from Gatineau Power Co.

During 1950, the mills were operated without interruption and sales hit a record in both value and tonnage. Costs of labor and materials increased steadily but economies effected through more efficient operations avoided the necessity of passing on the full increase to customers, the company stated in its annual report. Financial results showed sharp improvement with operating profit increasing to $1,062,406 from $447,408 in 1949. Net profit for the year totaled $364,147 ($19,409) equal to $21.42 ($1.14) per preferred share and $4.86 (a deficit of 88c) per common share.

Common share dividends, which which had been deferred following payment of 15c per share in August, 1948, were resumed with payment of 15c per share Dec. 15, 1950. They have been paid regularly at this rate on a quarterly basis since.

Additions and improvements authorized for capital account amounted to $214,280, of which $78,932 was spent during 1950.

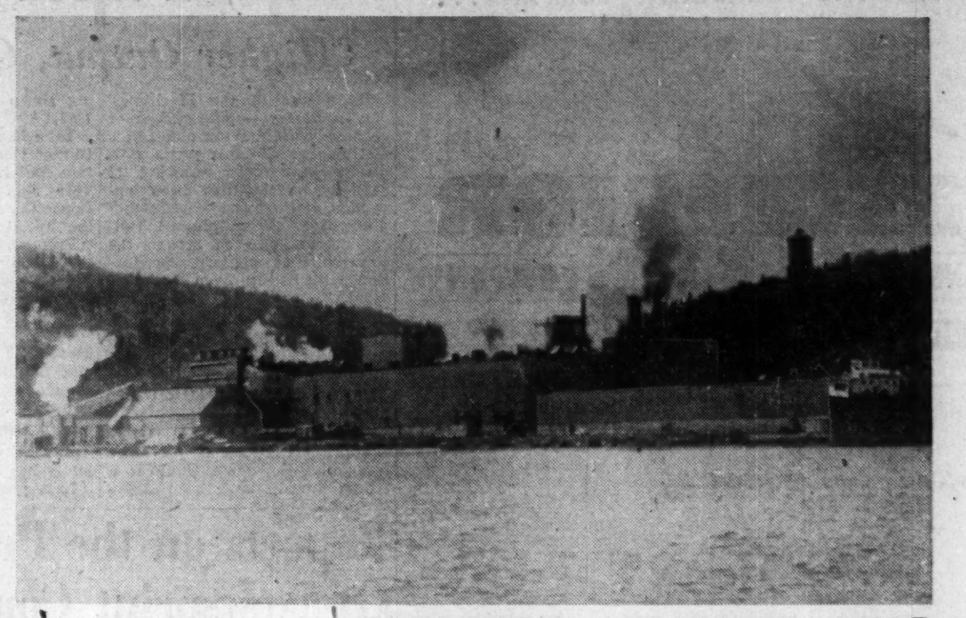
Sales this year are expected to top the 1950 total. While profits will be affected by higher costs and taxes, net is expected to approximate the 1950 figure.

Working capital at Dec. 31, 1950 rose to $1,465,410 from $945,645 at the end of the previous year.

Capitalization, as at Dec. 31, 1950, consists of $3,400,000 authorized, $1,525,000 outstanding, 3-4% first mortgage bonds due 1951-65 (after deducting $75,000 which matured April 1, 1951); $2,500,000 authorized, $1,700,000 outstanding, 4¼% cumulative redeemable $100 par preferred stock; and 100,000 authorized, 60,001 outstanding, no par value common shares.

VICOUR MINES continues to keep its claims in good standing, the 1950 annual report states. Balance sheet as at May 31, 1951, shows $122,939 current assets including $115,006 of marketable securities with a $109,025 market against current liabilities of $315.

MARATHON PAPER MILLS OF CANADA LIMITED



The Mill at Marathon, Ont.

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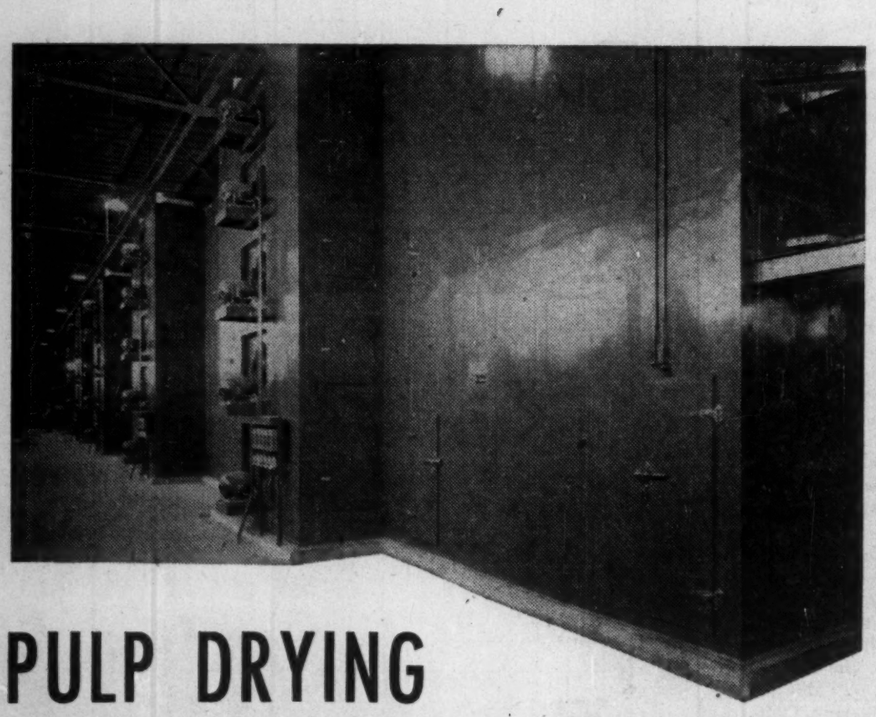

PULP DRYING

For many years the industry has hoped to overcome difficulties in pulp drying due to internal leakage, soilage, and high maintenance costs. These and other major problems have been solved with the recent introduction of the new ROSS Pulp Dryer. Drying pulp in a continuous operation with externally heated air is now possible—thanks to ROSS engineers—always striving for better methods of producing better products at higher speed and lower cost.

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COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

CALMONT OILS realized a profit of $147,964 in the year ended May 31, 1951, before charges for exploration, dry hole costs and leases surrendered. Net profit after all charges was $28,484, a cent a share, against $39,362, 1.7 cents a share, a year earlier.

With interests in over 325,000 acres of freehold and Crown lands in Alberta, Saskatchewan and Manitoba and a substantial improvement in financial position following refinancing, Calmont has been increasingly active in the exploration field.

A 20% interest is held in a quarter section at Golden Spike (Anglo-Canadian holds balance) with D2 and D3 wells completed on one 40-acre tract and further development planned.

Deepening of Anglo-Calmont-Security Drumheller No. 1 well is planned following a D2 discovery about half a mile from the two quarter sections in which a third interest is held.

A 16 2/3% interest is held in the Bailey-Olds No. 1 wet gas well and in the surrounding 9,440-acre spread while a third interest is held in Anglo-Security-Barons No. 1 well now drilling in the Barons area where a 2,700-acre block is shared.

A 50% interest is also held in a quarter section in southwest Leduc with Calmont-Security No. 1 well now drilling.

Jointly with Anglo-Canadian Oil Co., and Calgary & Edmonton Corp., a well is to be drilled on a 65,000-acre block in the Turin area where Turin No. 1 well showed a gas flow of 13 million cu. ft. Calmont holds 6,400 acres of freehold lands adjoining.

INCOME ACCOUNT

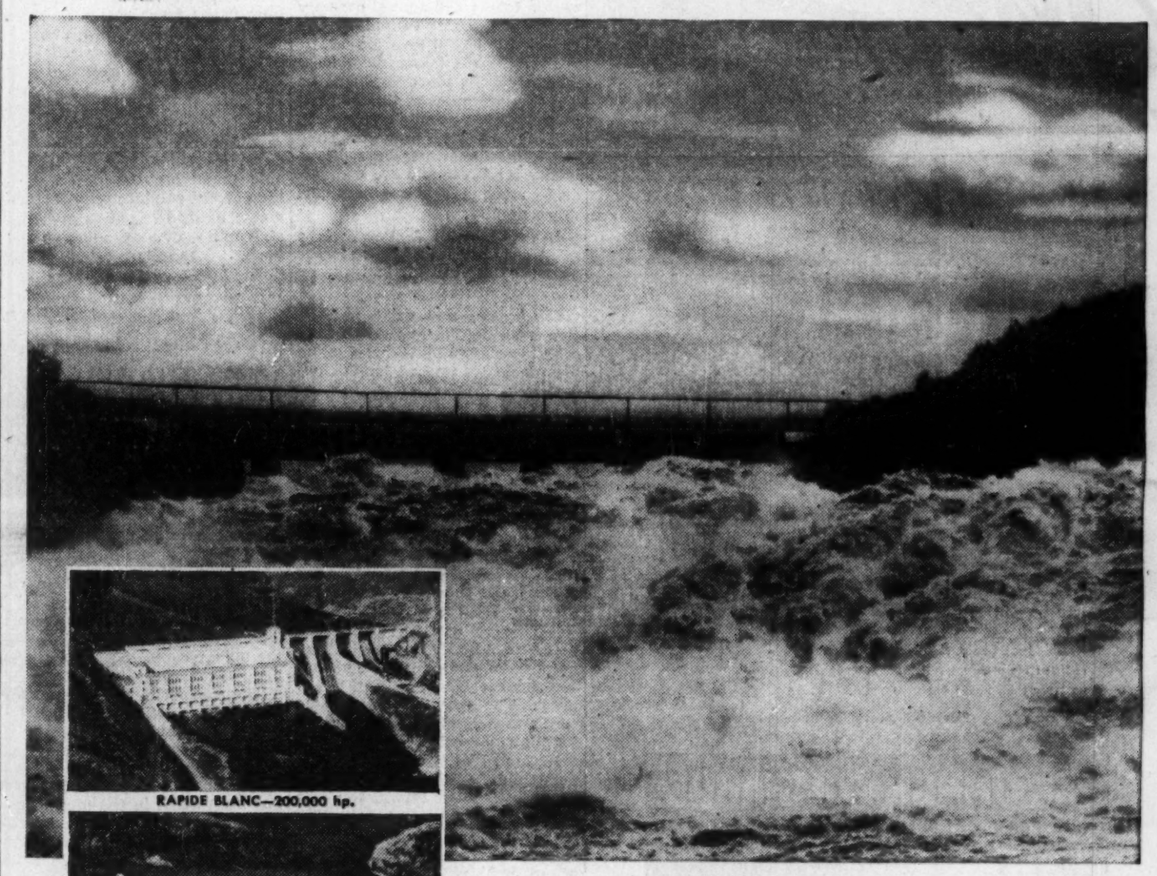
Years Ended May 31:	1951	1950
Net production	$157,172	$186,278
Rentals	8,969	6,997
Int., roy., etc.	12,007	12,935
Sale of invest.	14,336	23,532
Sale of assets	15,202	.....
Miscellaneous	20,823	3,977
Total rev.	**228,511**	**233,719**
Less: Oper. exps.	71,855	79,498
Depr. & depl.	8,992	14,566
Development	.....	95,932
Leases w/o	7,945	.....
Taxes	.....	4,361
Exploration exp.	57,816	.....
Dry holes	53,719	.....
Net prof. & surp.	**28,484**	**39,362**
Earned per Share	**$0.010**	**$0.017**

None paid.

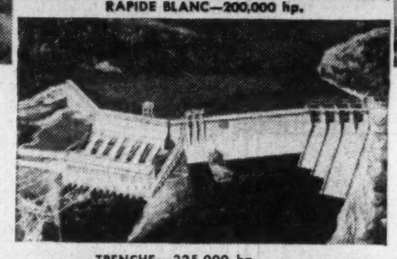
CONDENSED BALANCE SHEET

As at May 31:	1951	1950
Cash	$127,044	$129,612
Mkt. secs., cost‡	538,721	136,773
Accts., etc., rec.	39,939	24,065
Supplies	153,497	107,696
Total curr. assets	**861,201**	**418,146**
Def. & prep. chgs.	29,931	34,616
Invests. (cost)	538	1
Inv. in & loans to subs.	354,823	210,315
Leases†	445,953	361,218
Inv. in wells‡	34,603	.....
Fixed assets†	22,239	22,056
Total assets	**1,749,288**	**1,046,352**
Accts., etc., pay.	26,397	11,619
Taxes pay.	1,525	7,969
Total curr. liab.	**29,922**	**19,588**
Deferred credit	.....	3,466
Capital stock	1,528,339	2,252,766
Deficit	•191,027	1,229,468
†After deplet. of	151,660	151,660
▲After amort. of	352,373	.....
†After depr. of	277,576	270,115
‡Mkt. value	637,134	288,894
Working capital	**831,279**	**398,558**

•Earned surplus, after liquidation of deficit through cancellation of paid-up capital not represented by assets.



RAPIDE BLANC—200,000 hp.



TRENCHE—325,000 hp.

LA TUQUE—222,500 hp.

GRAND'MERE—201,000 hp.

SHAWINIGAN FALLS—489,900 hp.

LA GABELLE—172,000 hp.

Power
TO FORGE AHEAD...

Industry in Quebec is forging ahead!

Vital to the expansion of this industry is the availability of low-cost hydro-electric power.

Ample water reserves and adequate generating capacity ensure a dependable supply of power for the expansion of industry in the territory served by The Shawinigan Water and Power Company.

Shawinigan has an ultimate potential of over 2,000,000 hp. of hydro-electric power on the St. Maurice River alone. Installed capacity is already 1,609,500 hp. Four other sites with a potential of more than 600,000 hp. are awaiting development.

Thus, Industry in Quebec "present and future" is assured of its power to forge ahead.

CHEMICALS • ENGINEERING
The Shawinigan
WATER AND POWER CO.
ELECTRIC POWER
associated and subsidiary companies